# EXHIBIT 9

**Ronald M. Gold, ASA, MRICS**

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# A P P R A I S A L O F

# The Fee Simple Interest In

# 78-80 St. Marks Place, "As Is," New York, New York 10003

***As of August 1, 2021***

***A 5-Story + Cellar "C7" class Mixed-Use Walk-up Building***
***(Ground Floor Street Level Bar and 74-Seat "Cabaret Style" Theatre, with***
***Several Upper 2nd through 5th Floor Residential Apartments and 2 Commercial Spaces)***
***Containing 14,400 square feet of habitable interior usable above grade (NYC Public Records)***

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**Block: 449 / Lot: 28**

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**FOR:**
**78-80 St. Marks Place LLC**
**c/o Lawrence V. Otway, Managing Member**
**78-80 St. Marks Place, New York, New York 10003**
**And Whisper Capital, LLC and Elohim Financial Corporation**

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**BY:**
**Ronald M. Gold, ASA, MRICS**
**New York State Certified General Real Estate Appraiser**
**RMG FILE#: 02021014**

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# ADDENDUM:

# Ronald M. Gold, ASA, MRICS

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78-80 St. Marks Place LLC
Lawrence V. Otway, Managing Member
78-80 St. Marks Place
New York, New York 10003
and Whisper Capital, LLC
and Elohim Financial Corporation

August 5, 2021

**Real Estate Appraisal Report**
**78-80 St. Marks Place, "As Is"**
**New York, New York 10003**
**As of: August 1, 2021**

Mr. Otway,

In accordance with your request, I have inspected the subject premises prepared an appraisal report on the above-captioned subject property. The valuation is based on the definition of the Fee Simple Interest ownership interest and on the definition of Market Value as stated on the following pages of this report. The Effective Date of Value is August 1, 2021 and the date of inspection is August 1, 2021. I have considered the forces and factors, which impact Market Value and have reviewed the general market conditions existing as of The Effective Date of Value.

Based on my investigation and analysis of the data available as of August 1, 2021, subject to the limiting conditions included in this report, I have developed the opinion that the market value of the Fee Simple interest in the above-captioned subject property, "As Is," in its current partially renovated/upgraded average to above average overall condition, is:

**FIFTEEN MILLION**
**($ 15,000,000) DOLLARS**

Respectfully submitted,

RONALD M. GOLD, ASA, MRICS

## MARKET VALUE DEFINITION

The term "market value" as used here is defined as the price at which a property would most probably sell, if exposed to the market for a reasonable period of time in an "as is" condition, where payment is made in cash or its equivalent. Implicit in this definition is the consummation of the sale with passing of title from seller to buyer under conditions whereby:

(1) Both parties are well informed and acting in what they consider their best interests.

(2) A reasonable amount of time is allowed for exposure in the local market **(90 to 120 days).**

(3) Financing, if any, is on terms generally available in the community and typical for the property type in its locale.

(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(5) The price represents the normal Consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].)

## INTENDED USE OF REPORT

This appraisal is intended to assist the client in the valuation of the subject property, “As is,” as of August 1, 2021, for mortgage financing purposes.

## INTENDED USERS

The managing members of 78-80 St. Marks Place LLC and its advisors and Whisper Capital, LLC and Elohim Financial Corporation.

## INTEREST VALUED

Current Market Value of the fee simple interest in the subject property, “As is.”

## EFFECTIVE DATE OF VALUE

August 1, 2021 (Based on the August 1, 2021 of Inspection)

## DATE OF REPORT

August 5, 2021

## APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, the appraiser:

- Inspected the subject site and the exterior of the improvements as well as the Approximately 60% of the interior of the subject building *(including the public areas, the Basement and Cellar, the Commercial Spaces and upper floor residential spaces)* on August 1, 2021, the date of inspection; NOTE: The appraiser could not obtain access to inspect the subject roofs. The roofs were reportedly replaced in 2018, according to the Client.

- Gathered information on recent latter 2020 and 1st Half 2021 "C7" and "D7" class comparable 5- and 6- and 7-Story Walk-up and Elevator Buildings within a 20-block radius of the subject building in the subject East Village and West Village neighborhoods, within the 16-month period preceding the effective date of this appraisal. Gathered information from the client on the 2019 - 2021 on-going repairs already made to the subject property, and a projected Income and Operating Expenses and Pro Formas on the Restaurant/Tavern, Cabaret Theatre and Museum for 2021-2022 from the Client.

- Confirmed and analyzed the data and applied the Sales Comparison approach. The Income Approach and The Cost Approach were considered but not utilized. The appraiser deemed these approaches to be inappropriate indicators of value for the subject property. A detailed discussion of the three approaches appears elsewhere in this report, under the heading "The Appraisal Process."

To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departures from Standard 1 were invoked. This Summary Appraisal Report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's file.

## ***DEFINITION OF OWNERSHIP INTEREST:*** **FEE SIMPLE ESTATE**

***"FEE SIMPLE ESTATE"****

**Absolute ownership unencumbered by any other interest or estate, subject only to the limitations Imposed by the governmental powers of taxation, eminent domain, police power and escheat.**

**The Dictionary of Real Estate Appraisal,* page 78, Fifth Edition, © *2010*, published by the American Institute of Real Estate Appraisers.

# Subject building LAYOUT
# (COURTESY, Lee & Associates – May, 2021)

| | *78 St Marks* | *80 St Marks* |
|---|---|---|
| *Fifth Floor* | **Residential Unit #4**<br>1,075 SF<br>Currently occupied through July 2021 | **Storage Space**<br>Currently Vacant<br>1,075 SF |
| *Fourth Floor* | **Residential Unit #3**<br>1,075 SF<br>Currently occupied through August 2022 | **Residential Unit #2**<br>1,075 SF<br>Currently Vacant |
| *Third Floor* | **Office Space**<br>Currently vacant - office/meeting space<br>1,275 SF | **Duplex**<br>Owner-occupied<br>2,550 SF |
| *Second Floor* | **Museum of the American Gangster**<br>Owner-operated museum<br>1,275 SF | |
| *Ground Floor* | William Barnacle Tavern, Theatre 80 St. Marks, FoxFace Sandwiches<br>4,875 total square feet across the full-lot ground floor<br>The 160-seat theater includes above and below-grade space and slopes down into the basement level | |

## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

| | |
|---|---|
| **ADDRESS:** | 78-80 St. Marks Place<br>New York, New York 10003 |
| **BUILDING DESCRIPTION:** | Two 5-Story + Cellar Walk-up<br>"C7" class Mixed-Use Attached and<br>Partially Combined Buildings with Ground Floor Level<br>Bar and Theatre and 2 Additional Commercial Spaces and Several<br>Upper Floor Residential Apts. on the 2nd through 5th floor.<br>Erected circa 1830-1850 / Brick Façade<br>Containing 14,400 sq.ft. Gross Building Area<br>In overall Average to Above Average condition throughout |
| **PLOT SIZE:** | 50' X 97.5' = 4,875 sq.ft. |
| **BUILDING SIZE:** | Ground Floor (at Grade): 50' x 97.5' = 4,875 sq.ft.<br>2nd – 5th Floors: 50' X 50' X 4 = 10,000 sq.ft.<br>Total of 14,400 sq.ft. (according to NYC Public Records) |
| **ZONING:** | R7A (Within a C1-5 Commercial Overlay) |
| **APPRAISAL HISTORY:** | The appraiser developed an OPINION OF MARKET VALUE OF THE SUBJECT PROPERTY IN A SEPARATE APPRAISAL REPORT AS OF MARCH 5, 2021 |
| **SUBJECT PURCHASE HISTORY:** | The subject has been reportedly owned by the client for at least 5 years. |
| **BLOCK and LOT:** | Block: 449 / Lot: 28 |
| **HIGHEST & BEST USE** | The Present Use . . . a Mixed-Use Walk-up Building<br>Ground Floor Bar and 74 Seat Cabaret Style Theatre, 2 Commercial Spaces, 49 Outdoor Sidewalk Seating Restaurant Spaces and several upper floor residential apartments on the 2nd through 5th floors. |
| **DATE OF VALUATION:** | August 1, 2021 |
| **VALUE "AS IS" BY THE CAPITALIZATION OF INCOME APPROACH:** | **$ 14,000,000 ($700,765 NOI Capitalized at 5%)** |
| **VALUE, "AS IS" BY SALES COMPARISON APPROACH:** | **$ 15,840,000 (equivalent to $ 1,100 per sq.ft. of usable building area above grade)** |
| **RECONCILED TOTAL MARKET VALUE ESTIMATE, "As Is:"** | **$ 15,000,000** |

# PHOTOGRAPHS

## Exterior Views of the Subject Attached Buildings from St. Marks Place



***(APPRAISER'S NOTE: THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS on August 1, 2021, the date of inspection, WHICH WERE REPORTEDLY REPLACED BY THE CLIENT IN 2018)***

***IN ADDITION, The APPRAISER DID NOT INSPECT FLOORS 3 and 4 OF 78 ST. MARKS PLACE At the DATE OF INSPECTION: August 1, 2021)***

**VIEWS OF THE 49-SEAT NYC DOT ALLOWED OUTDOOR SEATING ALONG THE FRONTAGE OF THE SUBJECT BUILDINGS ON ST. MARKS PLACE – 7 TABLES WITH 7 HEATED SEATS . . . In Conformity with COVID-19 LOCKDOWN MEASURES – STATE OF NEW YORK – 2020 AND 2021 – EFFECTIVE ON THE DATE OF VALUATION: AUGUST 1, 2021**



Theatre
80 ST MARKS


ST MARKS


ST MARKS


**Street Scenes – Views of St. Marks Place -between Third and First Avenues**

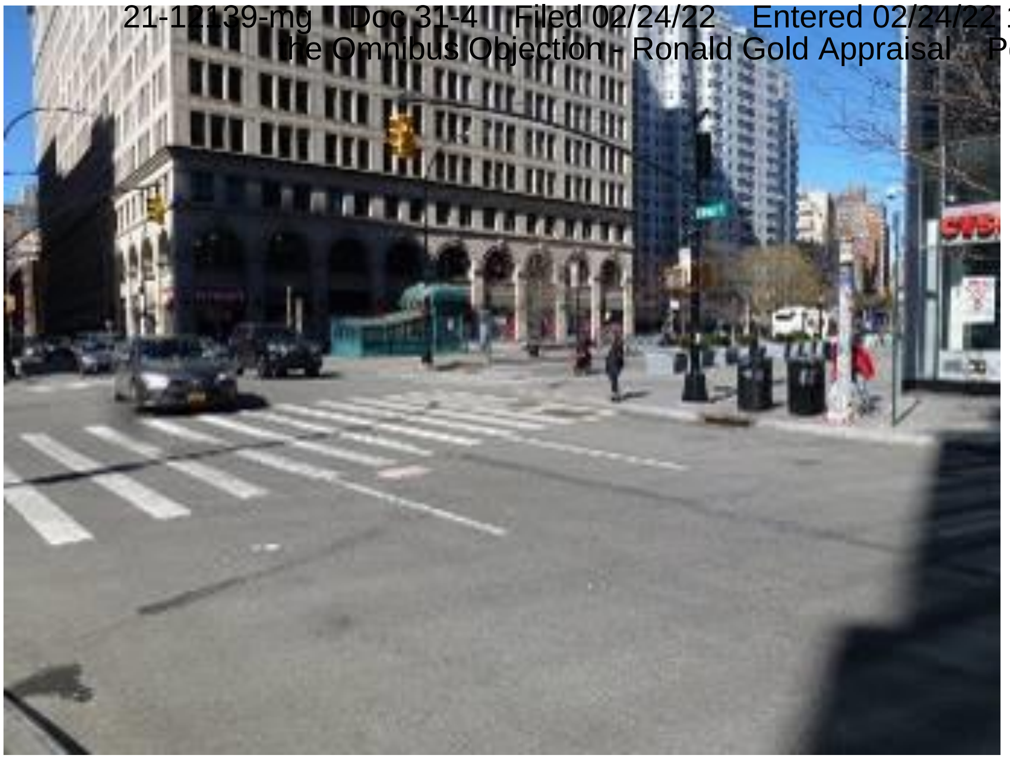

AND
BODY
PIERCIN

**VIEWS OF THIRD AVENUE, FACING NORTH AND SOUTH . . .**
**(1 ½ blocks west of the subject)**

**VIEW OF THE BUS STOP AT 3RD AVENUE AND COOPER SQUARE – NOTE THE CROSSTOWN M8 BUS ROUTE – AND THE UPTOWN AND DOWNTOWN M101 AND 102 ROUTES – NOTE: THE M15 BUS RUNS NORTH ALONG 1ST AVENUE AND SOUTH ON 2ND AVENUE**


**VIEWS OF ASTOR PLACE AND THE LOCAL STOP OF THE LEXINGTON AVENUE IRT "6" TRAIN AT ASTOR PLACE – WITHIN COOPER SQUARE**

**VIEWS OF COOPER UNION COLLEGE AND COOPER SQUARE – 2 BLOCKS WEST OF THE SUBJECT**

**VIEWS OF COOPER SQUARE – 2 BLOCKS WEST OF THE SUBJECT**

**VIEWS OF COOPER UNION COLLEGE AND COOPER SQUARE AND ASTOR PLACE – 2 BLOCKS WEST OF THE SUBJECT**


**VIEWS OF COOPER UNION COLLEGE AND COOPER SQUARE – 2 BLOCKS WEST OF THE SUBJECT**


STARBUCKS COFFEE

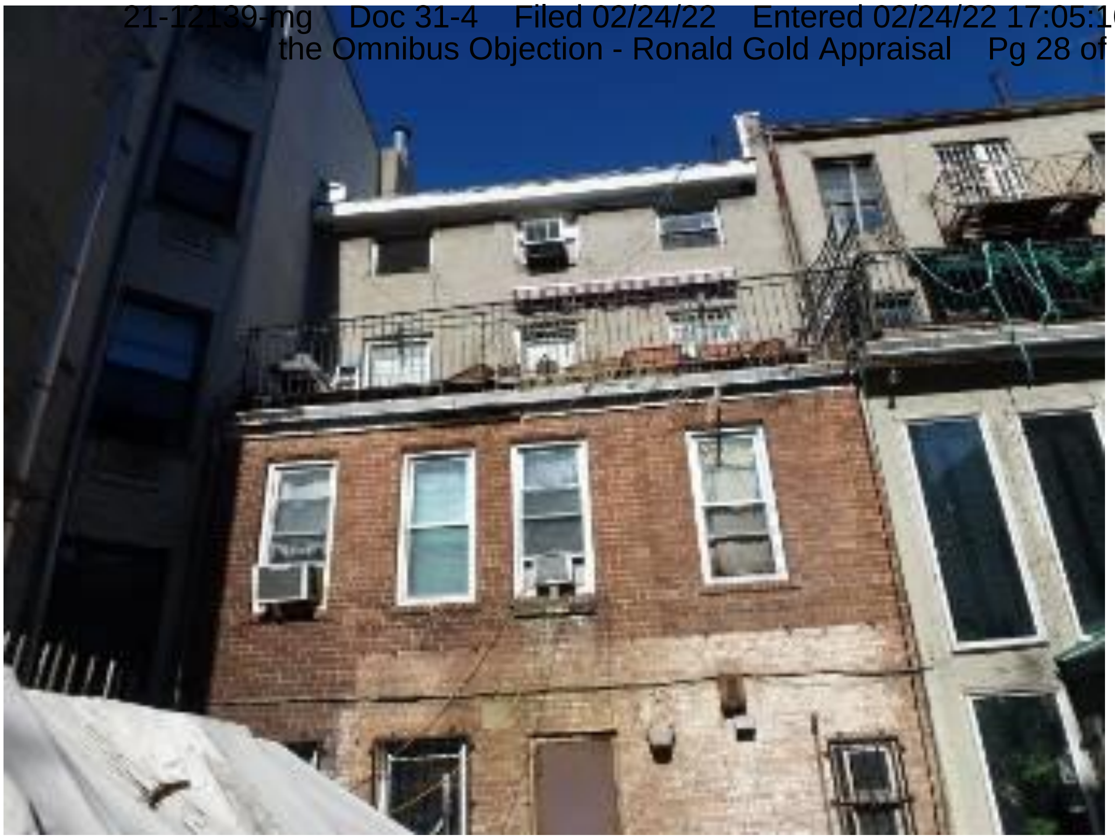
**BACK YARD AND REAR VIEWS OF THE SUBJECT ATTACHED BUILDINGS**

***(APPRAISER'S NOTE: THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS on August 1, 2021, the date of inspection, WHICH WERE REPORTEDLY REPLACED D BY THE CLIENT IN 2018 . . . IN ADDITION, The APPRAISER DID NOT INSPECT FLOORS 3 AND 4 OF 78 ST. MARKS PLACE At the DATE OF INSPECTION: August 1, 2021)***

**VIEW OF THE REAR PARTY TENT –
USED FOR BENEFIT GATHERINGS – IN THE SUBJECT BACK YARD**

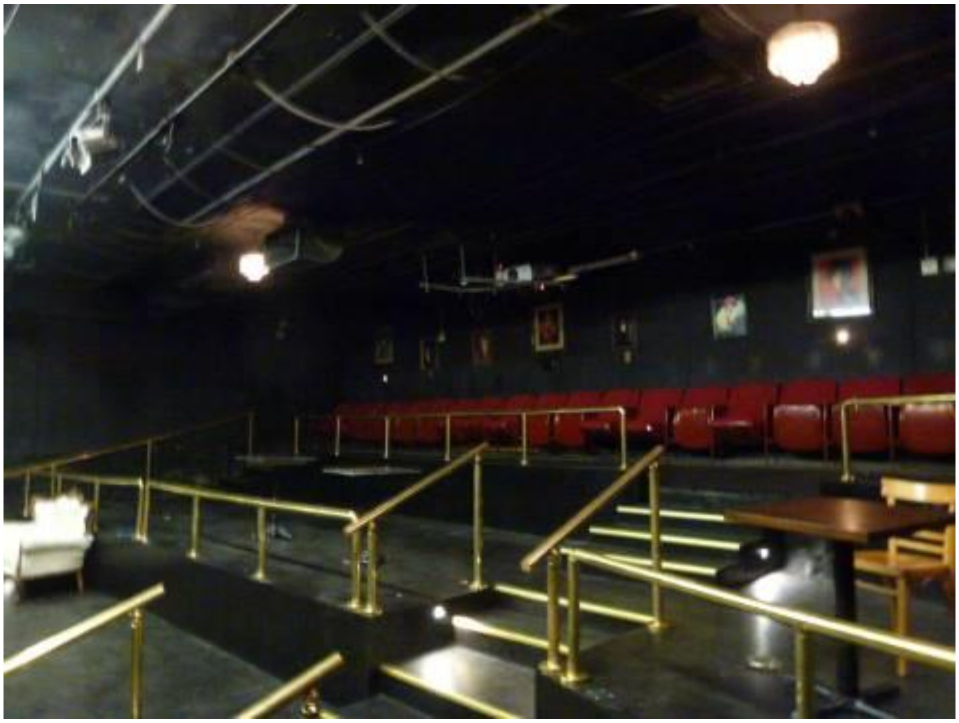
**NOTE THE NEW A/C COMPRESSORS FOR NEW AIR CONDITION/COOLING INSTALLED IN 2020, FOR USE IN TANDEM WITH EXISTING SUBJECT EXISTING FORCED AIR DUCTWORK FOR THE BASEMENT ("Ground Floor") AND CELLAR**

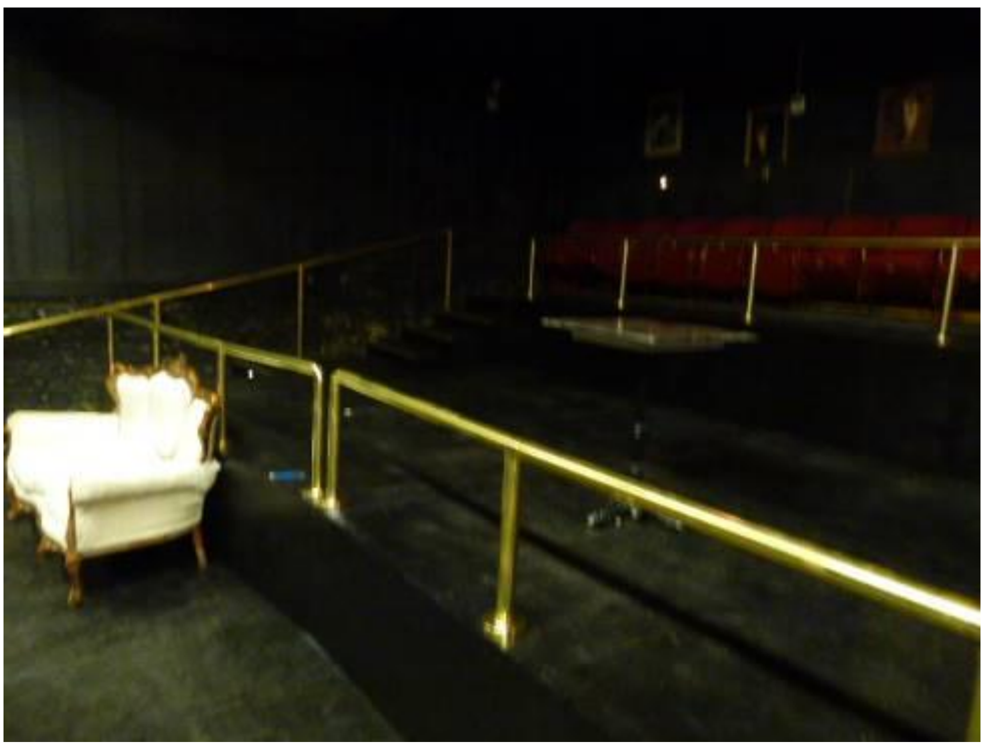
**VIEWS OF THE SUBJECT BACK YARD AND REAR VIEWS OF THE SUBJECT ATTACHED BUILDINGS**

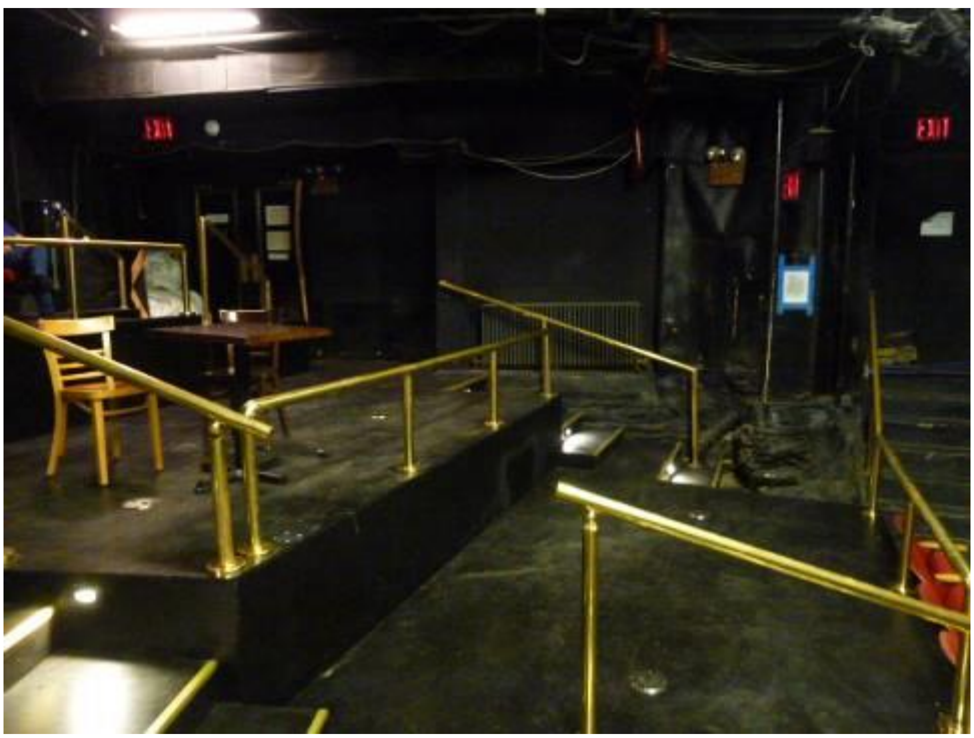


**VIEWS OF THE SUBJECT REAR BACK YARD RUDIMENTARY TEMPORARY "PAVILION" STRUCTURE (REAR YARD OF 80 ST. MARKS PLACE)**

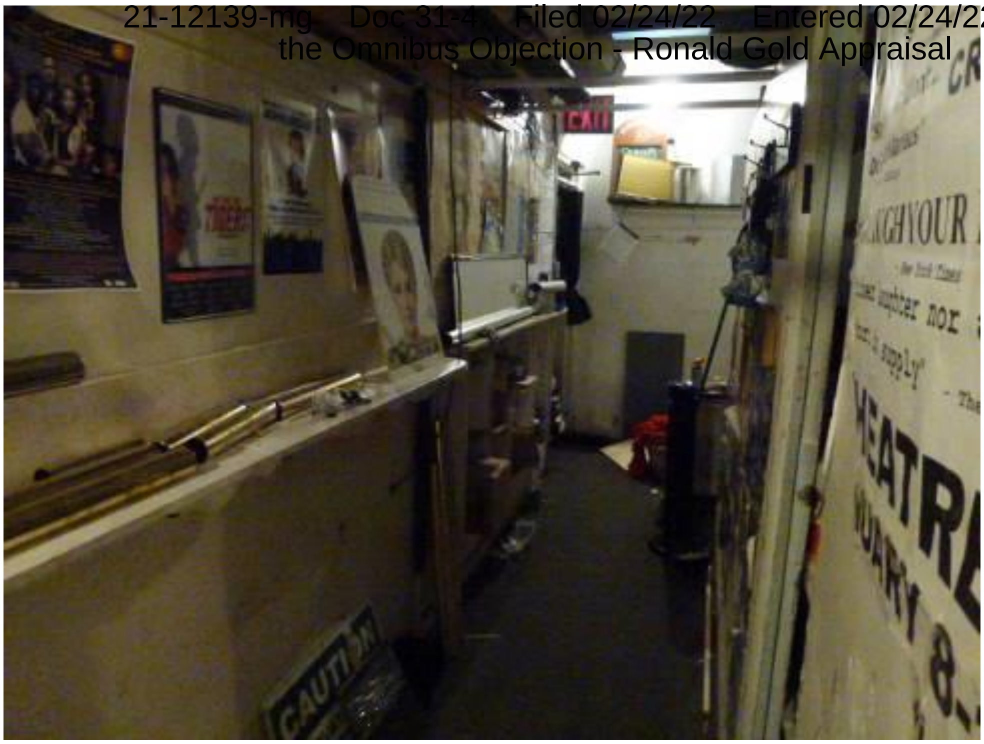
**VIEWS OF THE 74-SEAT CABARET STYLE LEGITIMATE OFF-BROADWAY THEATRE – NOTE APPROX. 100 TO 150 SEATS HAVE BEEN REMOVED TO CREATE COMBINED DINNER AND THEATRE SEATING OF 150 – ADDITIONAL BRASS RAILING TO BE INSTALLED SHORTLY –** ***(new seating arrangement/configuration of approximately 74 total theatre and cabaret table seating, allowing dining during theatrical performances )***
***(reportedly STARTING SEPTEMBER, 2021)***








**VIEWS OF THE BACKSTAGE AREAS**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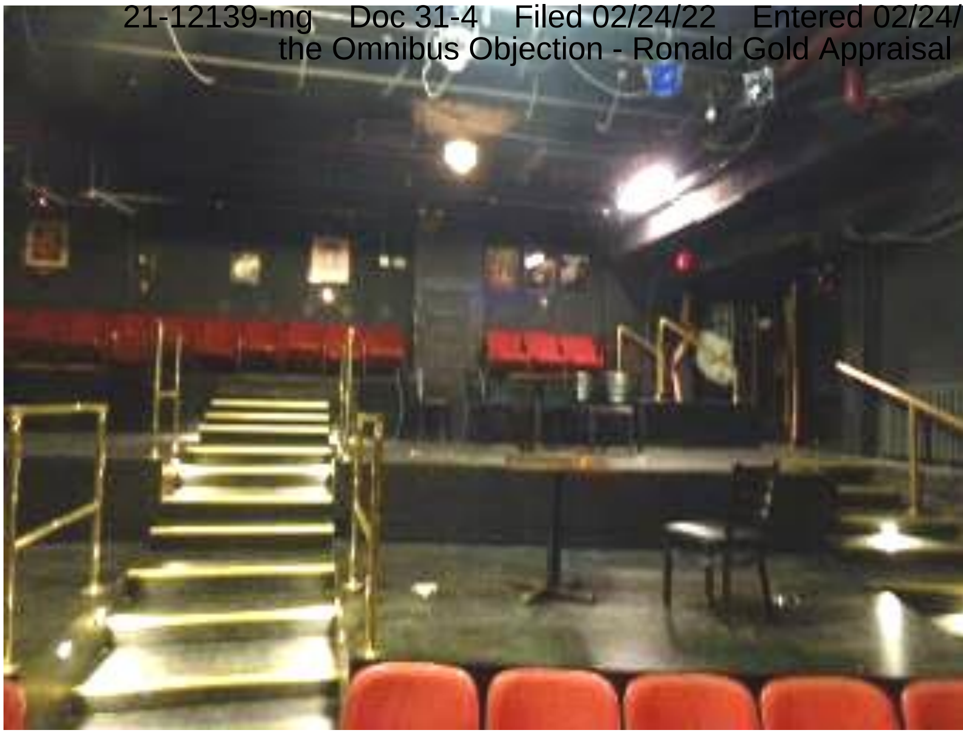
CRITIC'S PICK

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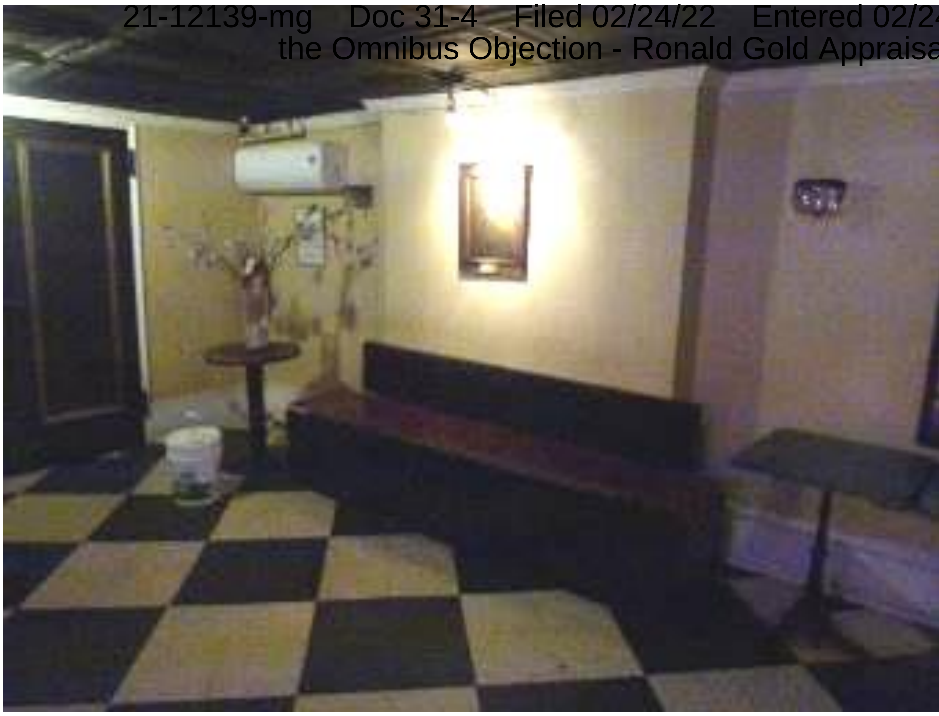
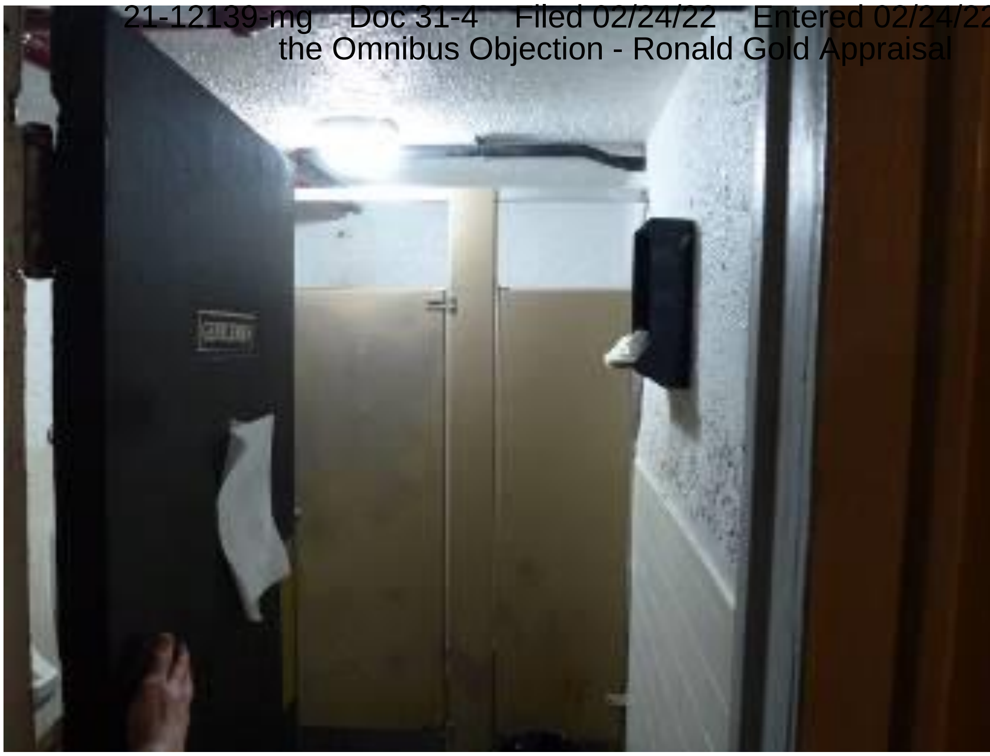
EXIT

**VIEWS OF THE BACKSTAGE AREAS ON THE BASEMENT GROUND FLOOR LEVEL**

**VIEWS OF THE DUCTWORK IN THE CABARET STYLE THEATER AREA**

**VIEWS OF THE BASEMENT GROUND FLOOR LEVEL THEATRE RECEPTION AREA FROM THE SIDEWALK ENTRANCE**





**VIEW OF THE BASEMENT "Ground Floor " LEVEL BATHS – 2-FIXTURE LADIES' ROOM AND 6-FIXTURED MEN'S ROOM (WITH 3 Urinals and 2 Basins and 1 toilet)**

**VIEWS OF THE BASEMENT – Ground Floor Level – SIDEWALK GROUND FLOOR LEVEL – VIEWS OF THE BAR AND RESTAURANT AREA –**


**VIEWS OF THE DUCTWORK ON THE GROUND FLOOR AND CELLAR LEVELS – NEW COMPRESSORS INSTALLED IN 2020 – 7 NEW COMPRESSORS LOCATED IN THE SUBJECT BACK YARD**

**VIEWS OF THE RENOVATED GROUND FLOOR LEVEL BAR AND KITCHENS (2)**

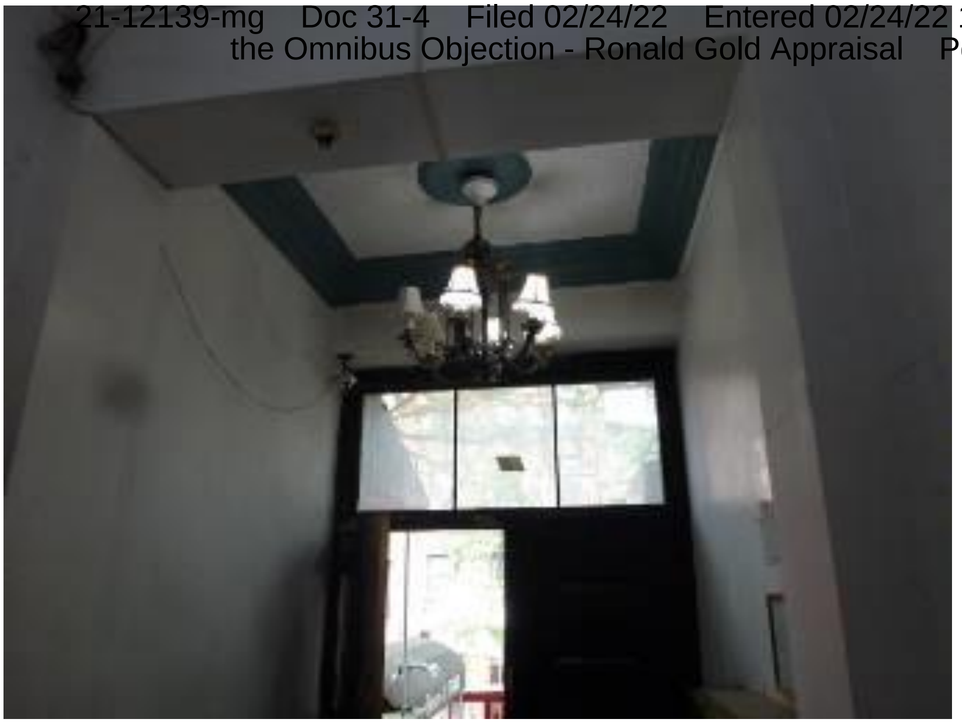
**CELLAR LEVEL Views of the Attached and Combined (78 and 80 St. Marks Place ) WITH NEW ELECTRIC CIRCUIT BREAKER BOXES (2019 and 2020 and 2021 building wide repairs)**

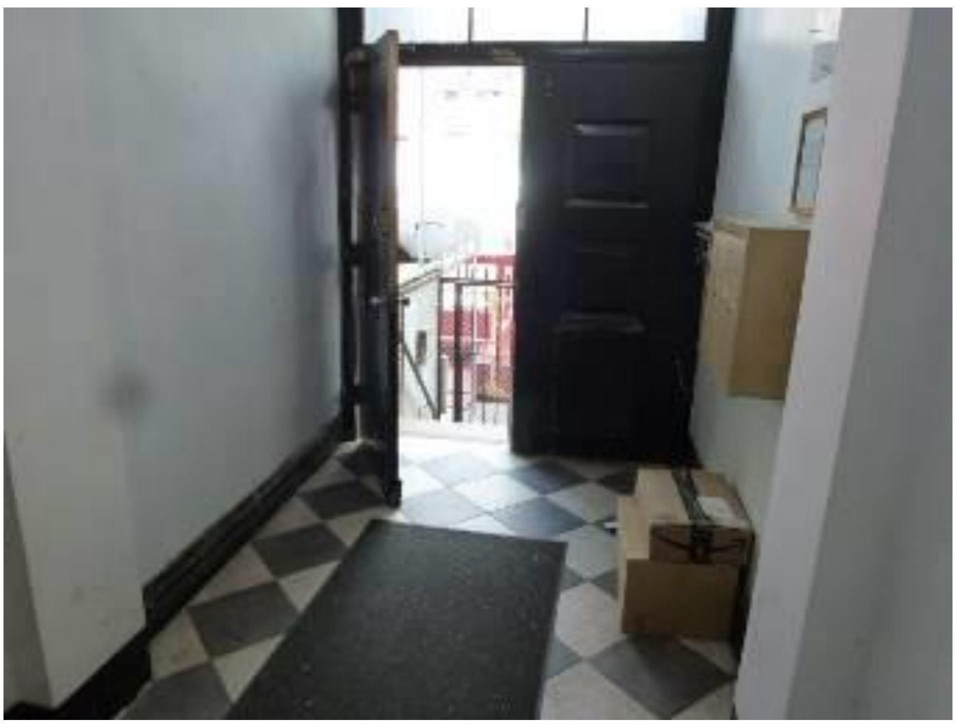
**VIEW OF THE CELLAR CIRCA 2010 UPGRADED GAS-FIRED BOILER**

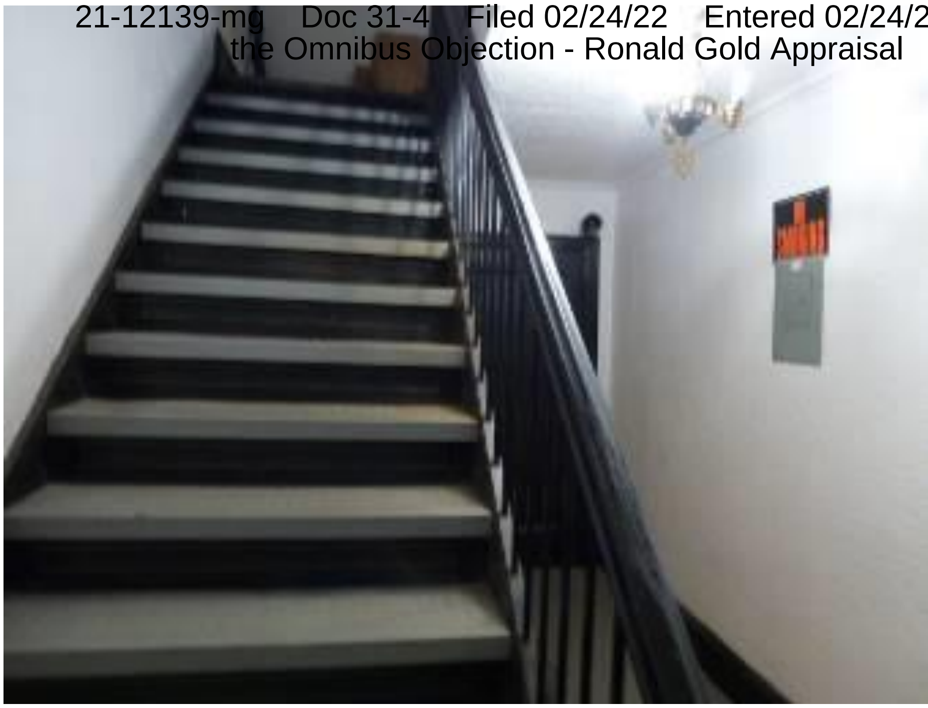
**VIEWS OF THE 100-GALLON GAS-FIRED HOT WATER HEATER (5 YEARS OF AGE)**
**And the 8' x 10' REFRIGERATED WALK-IN BOX IN THE CELLAR**

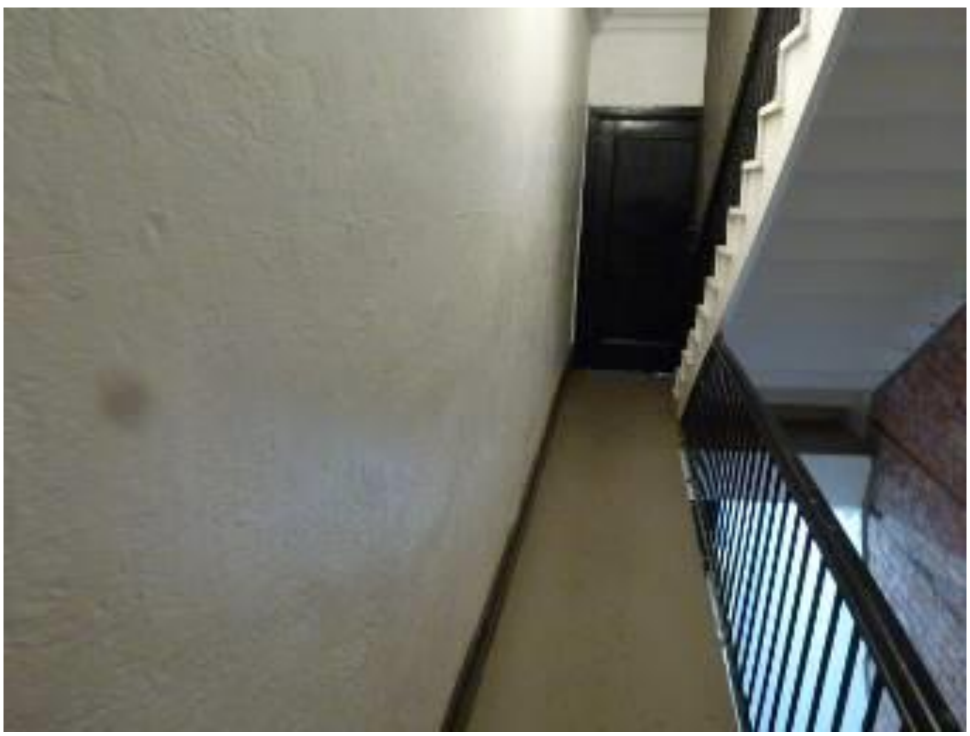
**Views of the SUBJECT CELLAR – Electric Meters and Main Circuit Breaker and Fuse Boxes (Additional Circuit Breakers on Each Floor)**

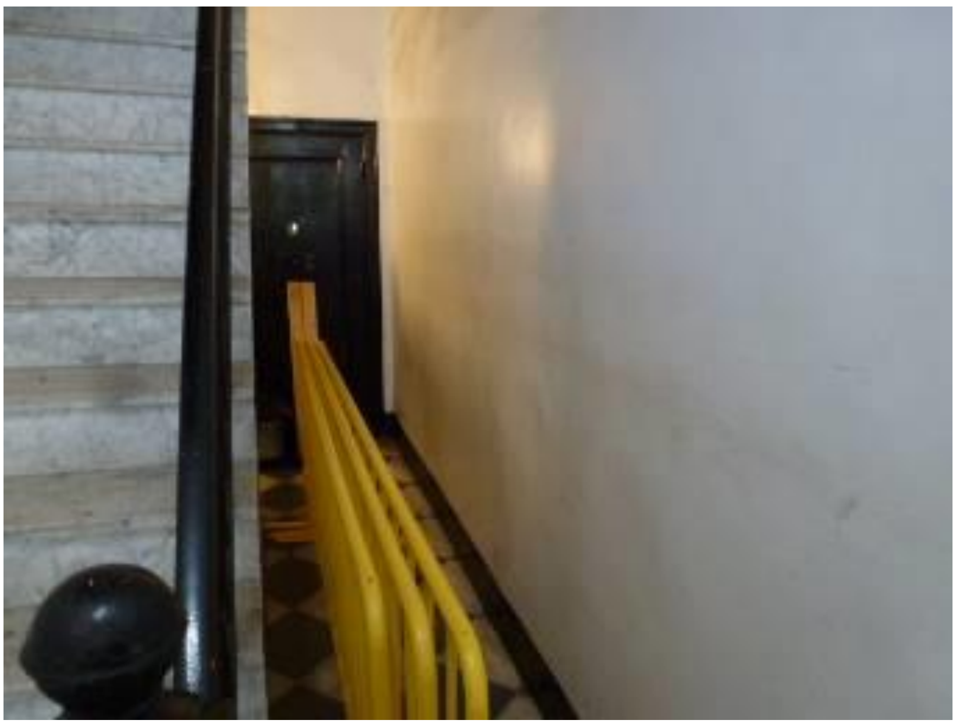
**78 ST. MARKS PLACE -COMMON AREA ENTRANCE AND HALLWAYS AND STAIRWAYS**

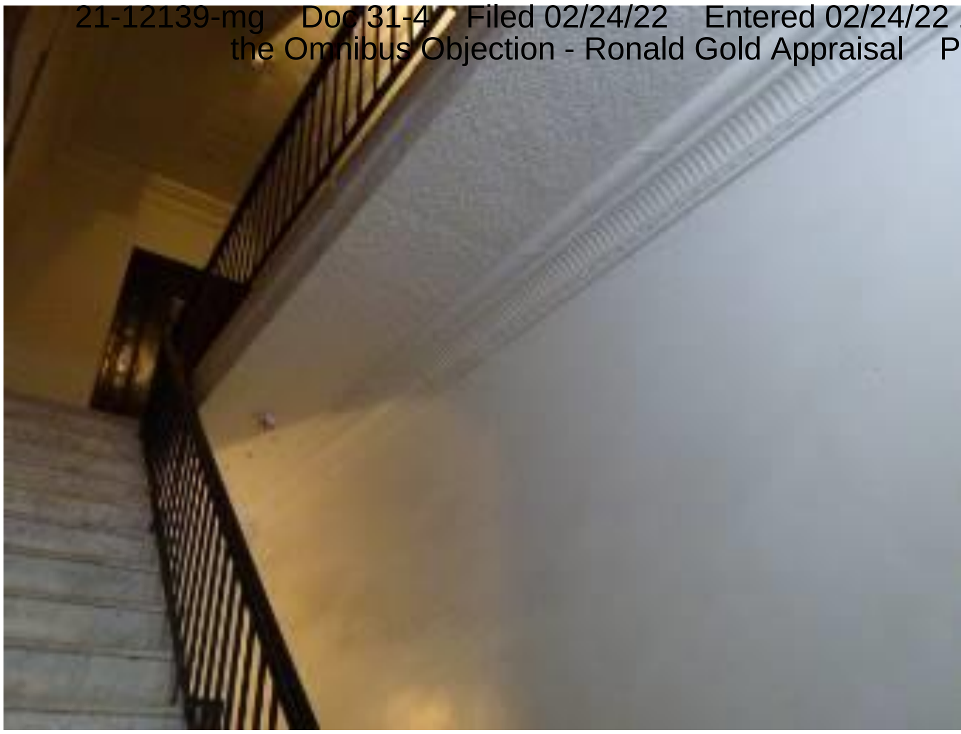








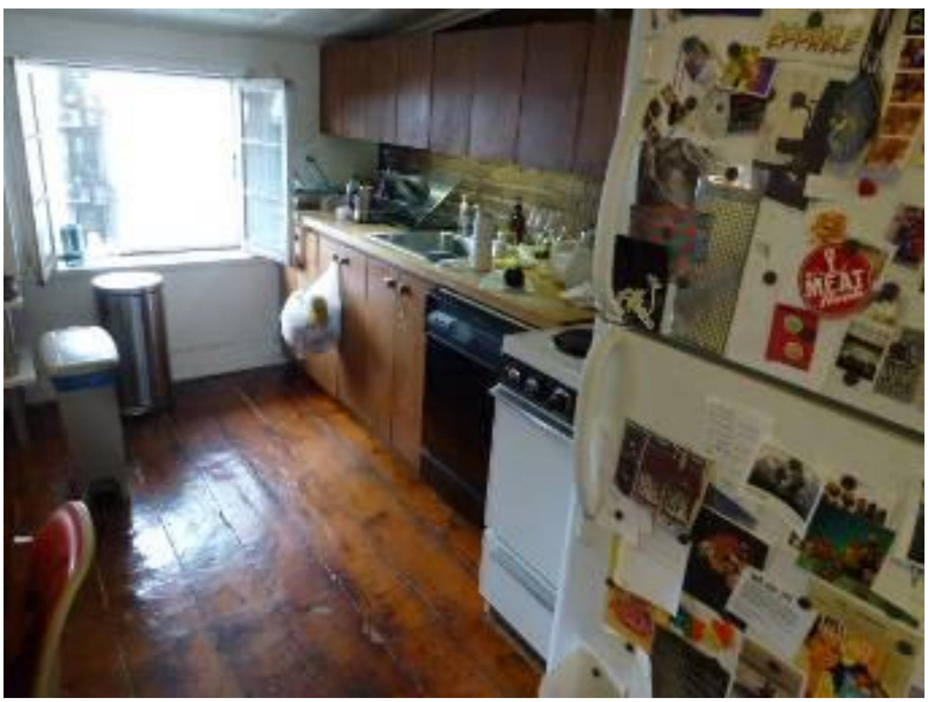


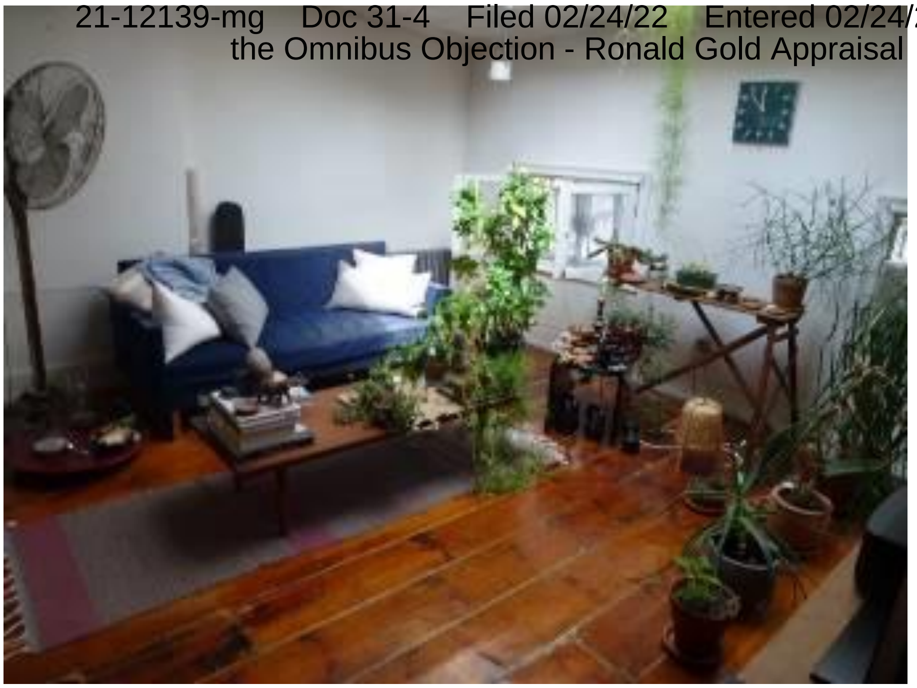


**TOP (5th) FLOOR RESIDENTIAL 1-BEDROOM APARTMENT - 78 ST. MARKS PLACE**

**VIEW OF THE BACK YARD FROM THE TOP FLOOR RESIDENTIAL APT. – 78 ST. MARKS PLACE**

**VIEWS OF THE TOP FLOOR RESIDENTIAL APT. – 78 ST. MARKS PLACE**





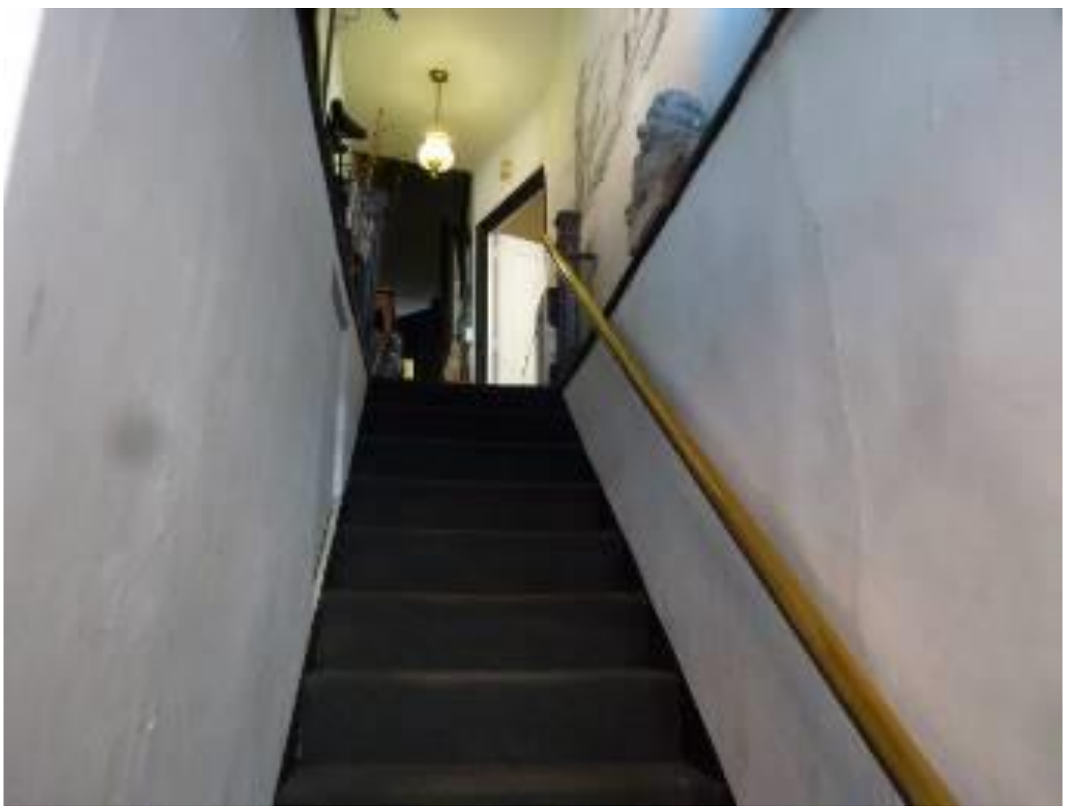
**VIEWS OF THE OWNER-OPERATED "MUSEUM OF THE AMERICAN GANGSTER" – 2ND FLOOR – 78 ST. MARKS PLACE**


The New York Times

**Views of the 80 ST. MARKS PLACE OWNER-OCCUPIED TRIPLEX**

***(APPRAISER'S NOTE: THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS on August 1, 2021, the date of inspection, WHICH WERE REPORTEDLY RE-SURFACED BY THE CLIENT IN 2018)***

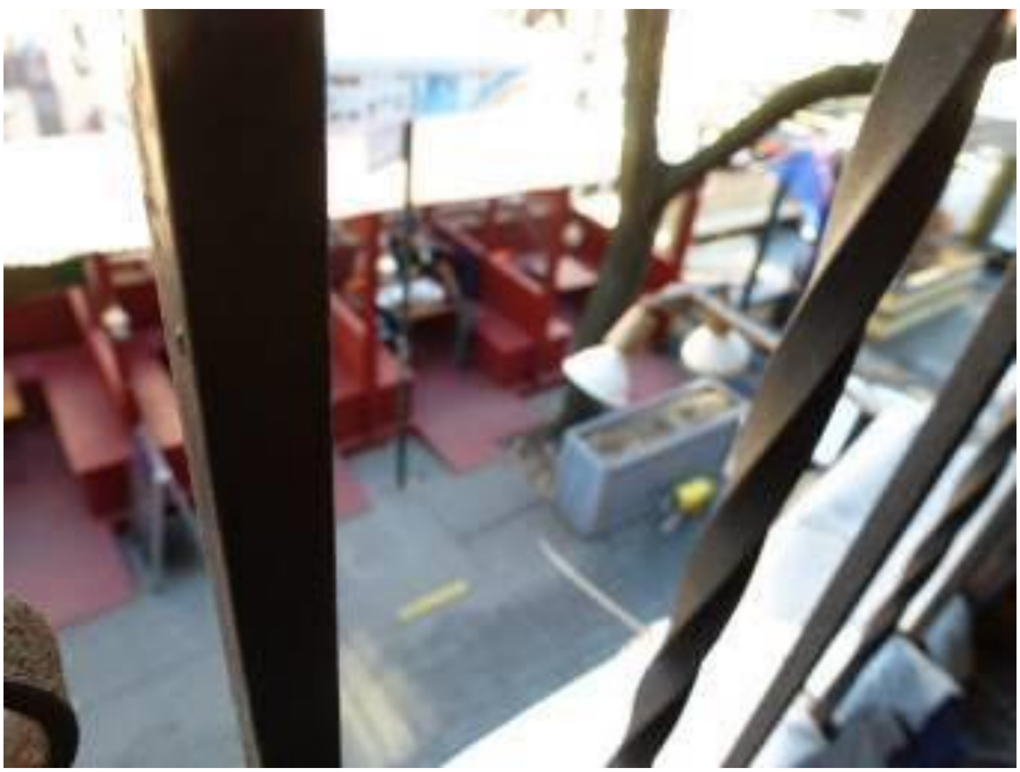
***VIEWS OF THE COMMON AREA ENTRANCE AND COMMON AREA STAIRWAY OF 80 ST. MARKS PLACE***

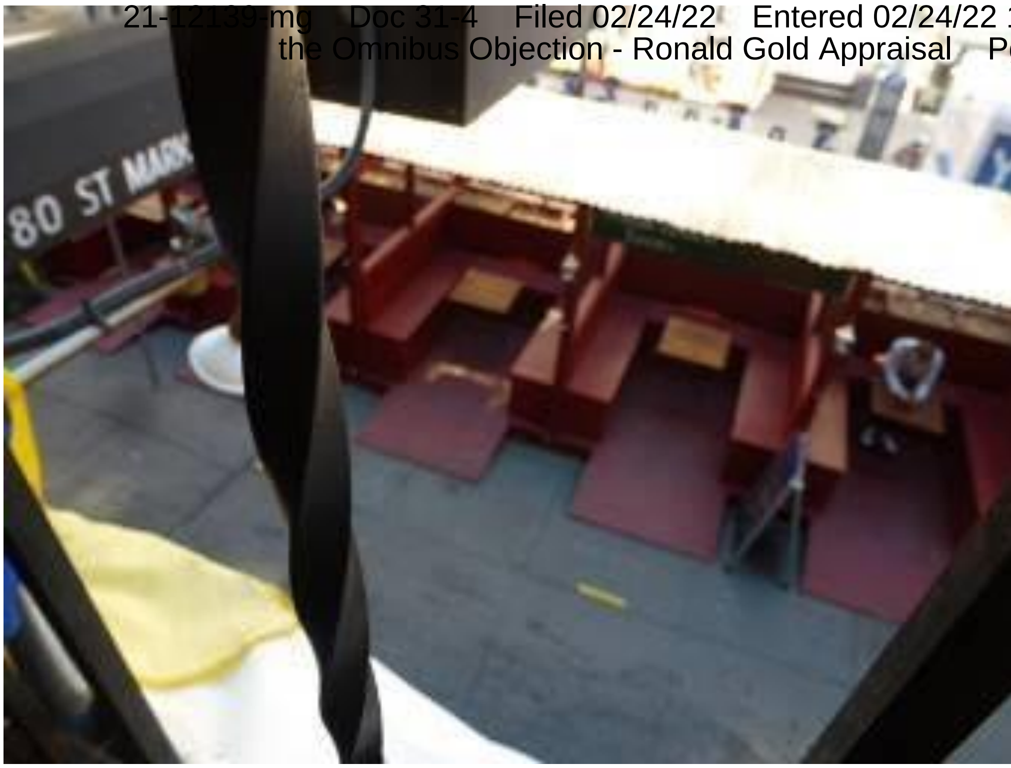


## VIEWS OF THE OWNER-OCCUPIED TRIPLEX AT 80 ST. MARKS PLACE

**VIEWS OF THE LOWEST LEVEL OF THE OWNER'S TRIPLEX – 1ST FLOOR LIVING ROOM AND DINING ROOM 80 ST. MARKS PLACE**

**VIEWS OF THE FRONT BALCONIES OF 80 ST. MARKS PLACE – PART OF THE OWNER'S TRIPLEX UNIT**
**(also Views of the Ground floor Level Exterior 49-Seat Dining Area – CERTIFIED BY NYC DOT)**



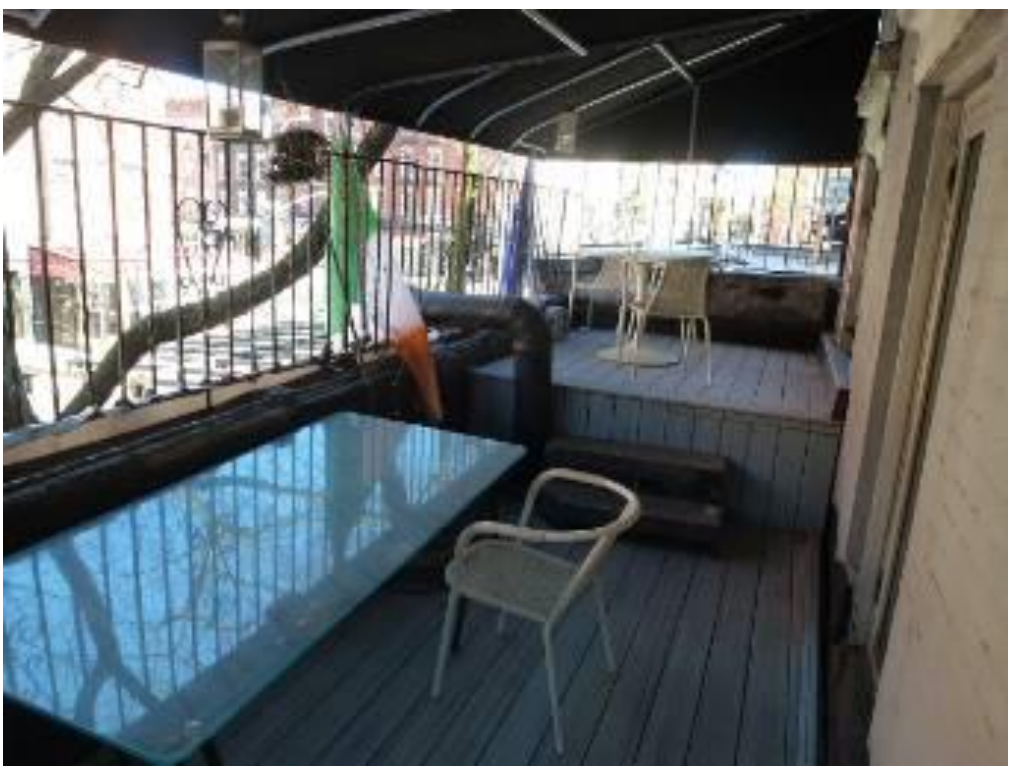

80 ST MARK


YOU

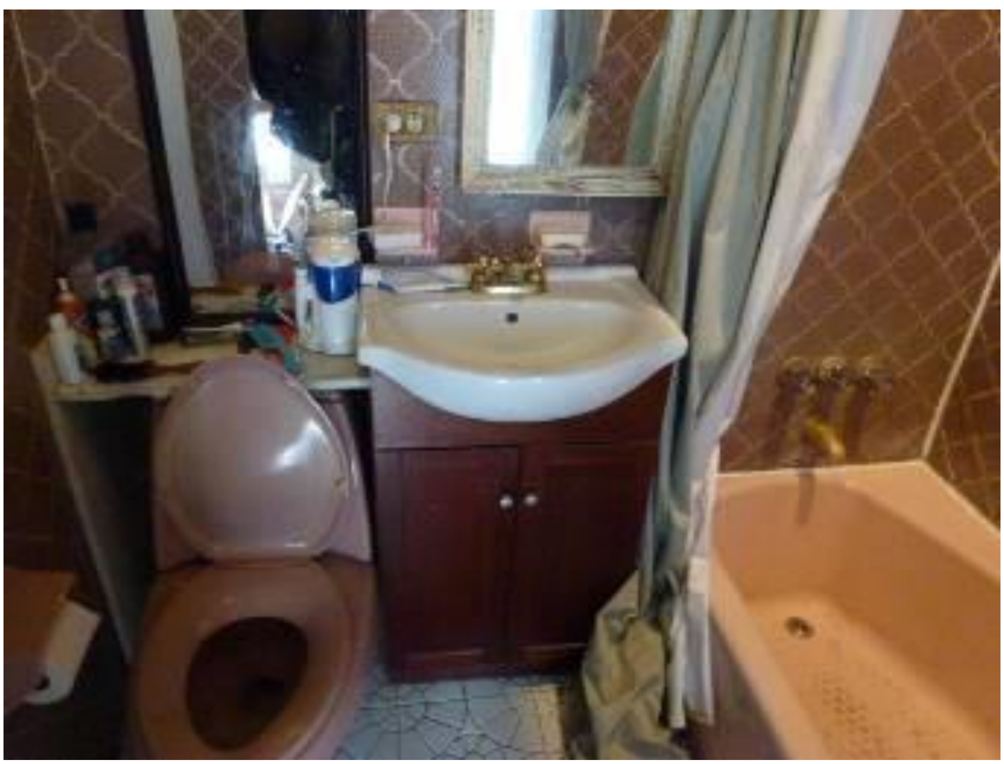
**EXTERIOR VIEWS OF 78 ST. MARKS PLACE ENTRANCE – FROM OWNER'S TRIPLEX FRONT BALCONY**


**EXTERIOR VIEWS OF 78 ST. MARKS PLACE ENTRANCE – FROM OWNER'S BALCONY**

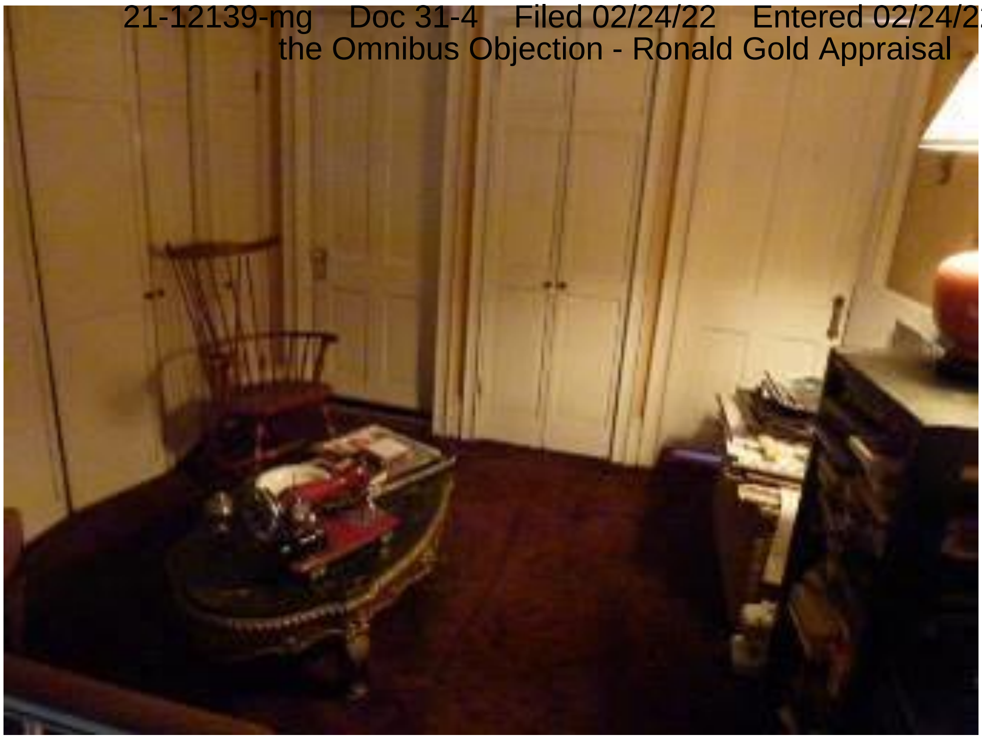
**VIEWS OF THE OWNER'S RENOVATED FRONT BALCONIES - 80 ST. MARKS PLACE - 2ND FLOOR – OVERLOOKING St. Marks Place**



**VIEWS OF THE OWNER'S TRIPLEX – 80 ST. MARKS PLACE**



**VIEW OF THE INTERIOR STAIRWAY CONNECTING THE FIRST TWO LEVELS OF THE OWNER'S TRIPLEX**



**VIEWS OF THE OWNER'S TRIPLEX SOLARIUM AND KITCHEN – AT THE REAR OF THE LOWEST LEVEL OF THE OWNER'S TRIPLEX – WITH SOUTHERN VIEWS OF THE BACK YARD**

**VIEWS OF THE TOP FLOOR OF THE OWNER'S TRIPLEX UNIT – 80 ST. MARK'S PLACE**

**VIEWS OF THE RENOVATED FULL WINDOWED BATH**
**TOP FLOOR OF THE OWNER'S TRIPLEX – 80 ST. MARKS PLACE**

**VIEW OF THE REAR BALCONY**
**TOP FLOOR OF THE OWNER'S TRIPLEX**
**80 ST. MARKS PLACE**

## PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the FEE SIMPLE interest in 78-80 St. Marks Place, as of **August 1, 2021 for mortgage financing purposes**. The subject property is described on the tax maps of the City of New York as:

***78-80 St. Marks Place, New York, New York 10003***

## SCOPE OF THIS APPRAISAL

The scope of this appraisal is to inspect the subject building, analyze its condition and size and make-up and gather 1.) client supplied actual 2020 and projected 2021 subject property income and 2021 operating and repair expenses; 2.) a variety of comparable sales data of latter 2020 and 1st half 2021 "C7" and "D7" class walk-up and elevator Mixed-Use sales in the subject surrounding 20-block radius of the East Village and adjacent West Village neighborhoods.

## INTENDED USERS

The client 78-80 St. Marks Place LLC, its advisors and WHISPER CAPITAL, LLC, and ELOHIM FINANCIAL CORPORATION.

## FUNCTION OF THIS APPRAISAL

The function of this appraisal is to assist the client in the valuation of the fee simple interest of the subject property, "As Is," as of August 1, 2021, for mortgage financing purposes.

## VALUATION DATE

**August 1, 2021**

## INSPECTION DATE

**August 1, 2021**

## GENERAL ASSUMPTIONS

## AND

## LIMITING CONDITIONS

This appraisal is made for the client to which it is addressed and is to be used only for the purpose stated in the appraisal, and no reliance is to be placed on this appraisal for any other purpose.

No responsibility is assumed for matters legal in character. We render no opinion as to the title but assume that it is marketable. The property is appraised as though free and clear of all liens and encumbrances. Management and ownership are presumed to be competent and responsible.

All drawings and diagrams in this report are included to assist the reader in visualizing the property. These drawings do not represent the product of any professional survey made by this office. The appraiser is not a professional engineer, and no engineering survey of the property has been made by him nor are we reporting on structural adequacy.

No right to expert testimony, attendance in court, or publication is included with possession of this report.

The distribution of the total valuation in the report between land and improvements applies only under the proposed manner of utilization. The separate valuations for land and building must not be used in connection with any other appraisal and are invalid if so used.

The appraiser has no present or contemplated future interest in the property.

Rentals and other income have been supplied by others and have not been subject to independent verification, unless otherwise noted. Expenses are based either on unverified data supplied by others or are the appraiser's own estimate. Other facts reported in the appraisal are correct to the best of the appraiser's knowledge and belief.

***NY CITY - ASSESSED VALUE* AND REAL ESTATE TAXES – 2021-2022 TAX YEAR -**

**as of AUGUST 1, 2021**

# MANHATTAN ASSESSMENT REPORT

**'roperty Address**
78 ST MARKS PL
EAST VILLAGE NY 10003

**Alternative Address**

EAST VILLAGE NY 10003

## LEGAL

Section : 2
Block : 449
Lot : 28
Volume : 5
Census : 38
APN : 1004490028

Tax Payers Name : 78-80 ST. MARKS PLACE,
Owner Occupied : YES
Owner's Name : 78-80 ST. MARKS PLACE,
Mailing Address : 78 ST MARKS PL
NEW YORK, NY 10003

## BUILDING DATA

Classification : C7
Year Built : 1920
Number of Bldg : 1
Building Size : 50.00x98.00
Num of Stories : 4.00
Bldg Sq Feet : 19600
Num of Units : 9
Gross Bldg SF : 14400
FAR / MAX FAR : 2.950 / 3.440

## PROPERTY DATA

Waterfront : NO
Lot Size/Shape : 50.00x97.50 / REGULAR
Lot Sq Feet : 4875
Corner :
Ext : E
Tax Class : 2
Police Precinct : 9
Fire District : L011
Basement : Full Basement that is Above Grade. The basement is 75% or more of the area of the first floor and the basement walls are at least 4 feet high on at least two sides.

Flood Panel : 3604970201F
Flood Zone : X
Panel Date : 09/05/07

Building Classification Definition : C7 OVER 6 FAMILIES WITH STORES
Zoning :: Map# :: Definition : R7A :: 12c ::

## TAX DATA

| | | LAND | TOTAL | |
|---|---|---|---|---|
| Current Assessed Value | : | 153,772 | 1,188,000 | |
| Transitional Assessed Value | : | 152,087 | 1,235,520 | |
| Current Exemption | : | 454,500 | 3,692,250 | |
| Current Tax Amount Total | : | 19,180 | 148,179 | ** CURRENT EXEMPTIONS NOT INCLUDED |

***The subject property real estate taxes are average and typical for this type of property in this part of town, considering the subject's location and size.***

NYC
Department of Finance

# Property Tax Bill
## Quarterly Statement
Activity through June 5, 2021

**Owner name:** 78-80 ST. MARKS PLACE, LLC
**Property address:** 78 SAINT MARKS PL.
**Borough, block & lot:** MANHATTAN (1), 00449, 0028

**Mailing address:**
78-80 ST. MARKS PLACE, LLC
78 SAINT MARKS PL. # 80
NEW YORK NY 10003-8176

| | |
|---|---|
| Outstanding Charges | $0.00 |
| New Charges | $81,843.10 |
| **Amount Due** | **$81,843.10** |

*Please pay by July 1, 2021*

Most Department of Finance services are available online:
- To pay your bill, visit nyc.gov/payonline.
- For general information, visit nyc.gov/finance.
- To submit a question to the Department of Finance, visit nyc.gov/dofaccount.

PTS - LD
1400.01
10 - 0 - 2B
27377

NYC
Department of Finance

**PLEASE INCLUDE THIS COUPON IF YOU PAY BY MAIL OR IN PERSON 1-00449-0028**

Subject

| | |
|---|---|
| **Total amount due by July 1, 2021** | $81,843.10 |
| **If you want to pay everything you owe by July 1, 2021 please pay** | $162,867.77 |

**Amount enclosed:**

#802759821060501#

**78-80 ST. MARKS PLACE, LLC**
**78 SAINT MARKS PL. # 80**
**NEW YORK NY 10003-8176**

**Make checks payable & mail payment to:**
NYC Department of Finance
P.O. Box 680
Newark NJ 07101-0680

**SUBJECT PROPERTY CURRENT FEBRUARY, 2021 NYC REAL ESTATE TAX BILL**

**Department of Finance**

**Statement Details**

Subject

June 5, 2021
78-80 St. Marks Place, LLC
78 Saint Marks Pl.
1-00449-0028
Page 2

| Billing Summary | Activity Date | Due Date | Amount |
|---|---|---|---|
| Outstanding charges including interest and payments | | | $0.00 |
| Finance-Property Tax | | 07/01/2021 | $81,843.10 |
| **Total amount due** | | | **$81,843.10** |

| Tax Year Charges Remaining | Activity Date | Due Date | Amount |
|---|---|---|---|
| Finance-Property Tax | | 01/01/2022 | $81,843.10 |
| **Total tax year charges remaining** | | | **$81,843.10** |
| **If you want to pay everything you owe by July 1, 2021 please pay** | | | **$162,867.77** |
| If you pay everything you owe by July 1, 2021, you would save: | | | $818.43 |

| Overpayments/Credits | Activity Date | Due Date | Amount |
|---|---|---|---|
| Credit Balance | | 05/03/2021 | $-79,127.17 |
| Credit Applied | 05/05/2021 | | $79,127.17 |
| | | *Total credit applied* | $79,127.17 |
| **Total overpayments/credits remaining on account** | | | **$0.00** |

**Annual Property Tax Detail**

| | Overall Tax Rate | |
|---|---|---|
| Tax class 2B - 7-10 Unit Residentl Rental Bldg | | |
| Current tax rate | 12.2670% | |
| **Estimated Market Value $7,629,000** | | |
| | | **Taxes** |
| **Billable Assessed Value** | **$1,334,362** | |
| **Taxable Value** | $1,334,362 x 12.2670% | |
| **Tax Before Abatements and STAR** | $163,686.20 | **$163,686.20** |
| **Annual property tax** | | **$163,686.20** |

Subject

Please note that property tax bills due in July and October of 2021 are calculated using the 2021 tax rates. Property tax bills due in January and April of 2022 will be calculated using the 2022 tax rates.

## SITE ANALYSIS

The Subject site is located on the south side of St. Mark's Place, between First and Second Avenues (approximately 50' west of First Avenue), in the City, County and State of New York.

The subject site has frontage of approximately 50' along St. Marks Place and a depth of approximately 97.50', containing a total gross area of approximately 4,875 SQ.FT., according to New York City public records.

The site is regular (rectangle) in shape, is level and is at grade**.** The site is located approximately 50' west of First Avenue.

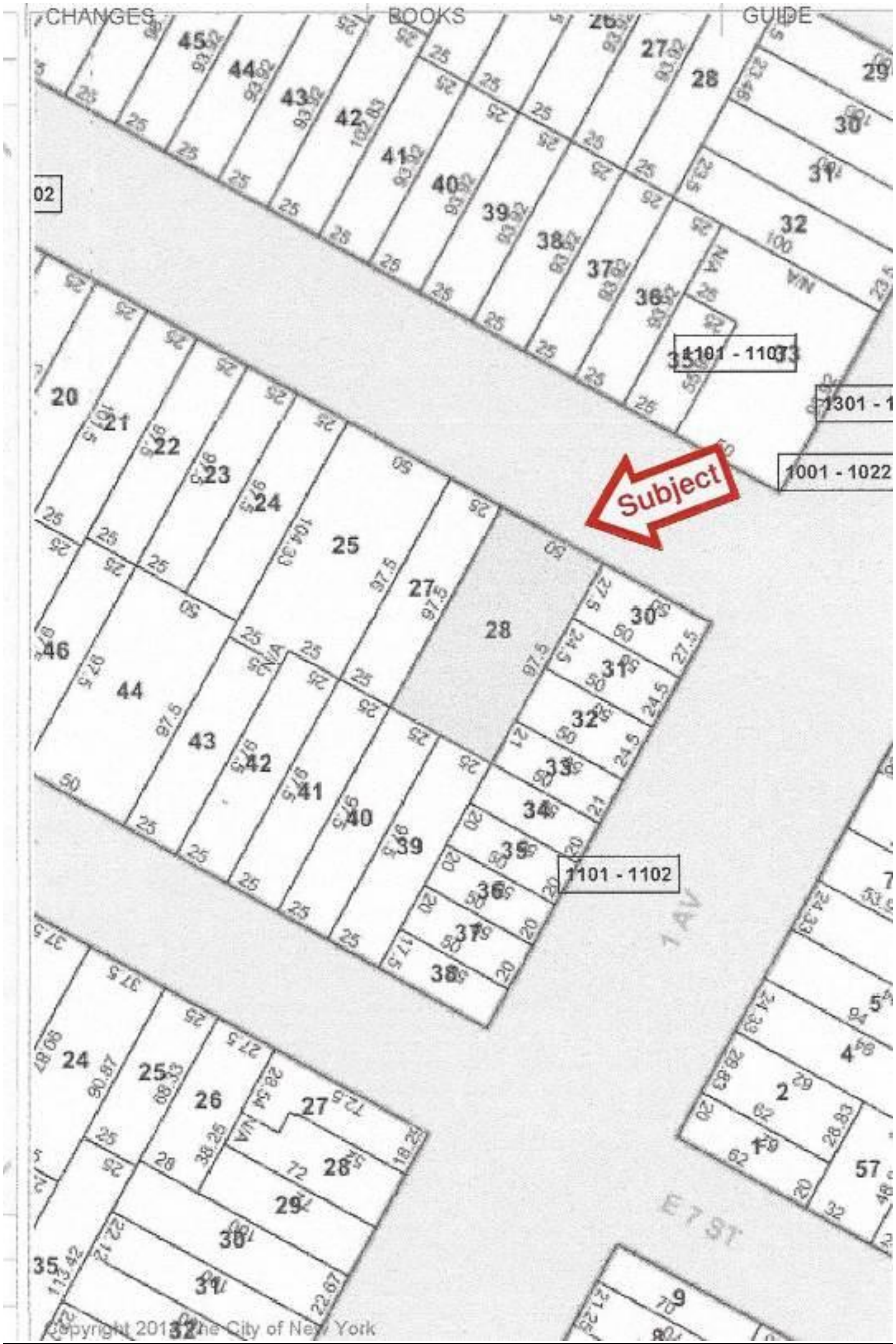
The site is improved with all available public utilities including city sewers**.** The legal description of the subject site is: Block: 449, Lot: 28.

The site is improved with two circa 1830-50 Construction Walk-up 4-Story + Basement and Cellar painted brick façade "C7" class Mixed-Use combined and attached (attached at the BELOW GRADE Cellar and SIDEWALK LEVEL Basement) buildings. **The subject is not located within an Historic District.**

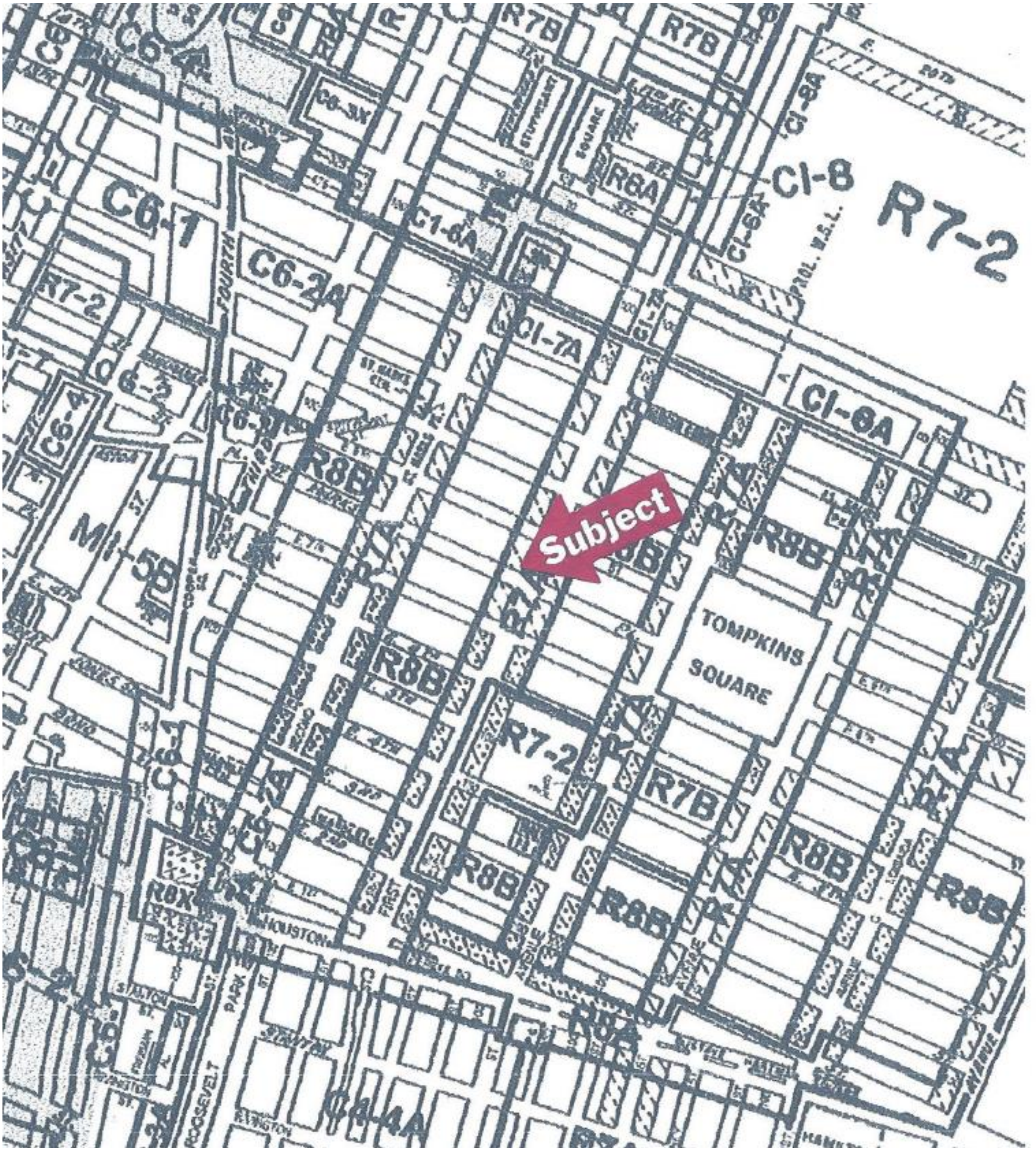
## FLOOD ZONE

The subject property is not located in a Flood Hazard Zone.

**SITE PLAN**



# ZONING MAP



Subject
TOMPKINS SQUARE
R7-2
C6-1
C6-2A
C1-8
C1-6A
C1-7A
R8B
R7B
R8A
R7A
M1-5B
HOUSTON
C4-4A

**NEW YORK CITY DEPT. OF CITY PLANNING 2021 ZONING AND LAND USE MAP**


## Zoning and Land Use

Tax Lots

Zoning Districts
- Commercial Districts
- Manufacturing Districts
- Residence Districts
- Parks
- Battery Park City

Commercial Overlays
- C1-1 through C1-5
- C2-1 through C2-5

## Basemaps

Subways

Building Footprints

## 78 ST MARKS PLACE, 10003

Manhattan (Borough 1) | Block 449 | Lot 28

TAX LOT | BBL 1004490028

**Zoning District:** R7A C1-5

INTERSECTING MAP LAYERS:
Inclusionary Housing Zone

ZONING DETAILS:
Digital Tax Map
Zoning Map: 12c (PDF)
Historical Zoning Maps (PDF)

| | |
|---|---|
| Owner | Show Owner |
| Land Use | Mixed Residential & Commercial Buildings |
| Lot Area | 4,875 sq ft |
| Lot Frontage | 50 ft |
| Lot Depth | 97.5 ft |
| Year Built | 1920 |
| Building Class | Walk-up Apartments - Over Six Families With Stores ( C7 ) |
| Number of Buildings | 3 |
| Number of Floors | 4 |
| Gross Floor Area | 14,400 sq ft |
| Total # of Units | 9 |
| Residential Units | 7 |
| Building Info | BISWEB |
| Property Records | View ACRIS |
| Housing Info | View HPD's Building, Registration & Violation Records |
| Community District | Manhattan Community District 3 |
| City Council District | Council District 2 |
| School District | 01 |
| Police Precinct | 9 |
| Fire Company | L011 |
| Sanitation Borough | 1 |
| Sanitation District | 03 |
| Sanitation Subsection | 4B |

## ZONING - R7A (in a C1-5 Commercial Overlay), Courtesy of the City of New York

*78-80 St. Marks Place Zoning Map*


ZoLa - Zoning and Land Use

MANHATTAN Block: 449 Lot: 28

- Zoning

**Zoning Information:**

Borough: Manhattan Block: 449 Lot: 28

Zoning: R7A

Commercial Overlay: C1-5

Zoning Map: 12c

Historical Zoning Maps: 12c

Department of City Planning, Zoning Database (updated monthly)

Mixed Use District

- As a result of discussions with community stakeholders, led by the Community Board and with the support of elected officials, the Department of City Planning agreed to analyze an Alternative Action proposal as a part of the Draft Environmental Impact Statement (DEIS), and on May 2, 2008, the Department issued a Notice of Completion (NOC) for the DEIS.

*R7A* with Inclusionary Housing*

An R7A district, where the Inclusionary Housing Program is applicable, is proposed along the wide streets north of Houston Street, where the Department's rezoning currently proposes R7A districts. The affected areas include: Second Avenue, First Avenue, Avenue A and Avenue C.

The R7A district with Inclusionary Housing permits community facility uses at an FAR of 4.0, as in the Department's proposal. In conjunction with a proposed zoning text amendment which would apply the program to the proposed areas, these R7A districts would permit a maximum FAR of 4.6 for residential use, if affordable housing units were provided. For residential development that does not include any affordable housing units, the maximum FAR would be limited to 3.45.

The building height and street wall requirements for the R7A districts as analyzed in this Alternative would remain the same as those established by the R7A district as originally proposed. Overall building heights would be limited to 80 feet, after a setback over a street wall base between 40 and 65 feet high. In keeping with the proposal framework by addressing neighborhood character, these bulk regulations would ensure that new development reflects the consistent, low- to mid-rise character found throughout the area.


Proposed R7A District

Base Res. FAR: 3.45

I.H.: 1.15

Maximum FAR: 4.6

40’-65’ Base, 80’ Max. Height

# C1 & C2 Zoning Code - New York City

## What is a C1 or a C2 Zoning District?

C1 & C2 (C1-1, C1-2, C1-3, C1-4, C1-5) & (C2-1, C2-2, C2-3, C2-4, C2-5) - C1-1 through C1-5 and C2-1 through C2-5 districts are mapped as commercial overlays within residence districts. They are mapped along streets that serve the local retail needs of the surrounding residential neighborhood, and are found extensively throughout the city's lower- and medium-density areas, and occasionally in higher-density areas.

Typical retail uses include grocery stores, restaurants and beauty parlors, catering to the immediate neighborhood. C2 districts permit a slightly wider range of uses - such as funeral homes and repair services - than C1 districts. In mixed residential/commercial buildings, commercial uses are limited to one or two floors and must always be located below the residential use.

When commercial overlays are mapped in R1 through R5 districts, the maximum commercial floor area ratio is 1.0; when mapped in R6 through R10 districts, the maximum commercial FAR is 2.0. Commercial buildings are subject to commercial bulk rules.

Overlay districts are distinct from other commercial districts in that residential bulk is governed by the residence districts within which the overlay is mapped. All other commercial districts that permit residential use are assigned a specific residential district equivalent. However, when residences are constructed in any commercial district, certain regulations that apply in residence districts are waived, such as front and side yard requirements. Unless otherwise indicated, the depth of overlay districts ranges from 100 to 200 feet.

Generally, the lower the numerical suffix, the more off-street parking is required. For example, in C1-1 districts, typically mapped in outlying areas of the city, a large food store would require one parking space for every 100 square feet of floor area, whereas no parking would be required in C1-5 districts, which are well served by mass transit.

**Other C1 & C2 (C1-6, C1-7, C1-8, C1-9) & (C2-6, C2-7, C2-8)** - C1-6 through C1-9 and C2-6 through C2-8 districts are commercial districts that are predominantly residential in character. They are mapped along major thoroughfares in medium- and higher-density areas of the city. As in overlay districts, typical retail uses include grocery stores, drug stores, small dry cleaners, restaurants, and local clothing stores that cater to the daily needs of the immediate neighborhood. There are only minor differences between C1 and C2 districts, with a slightly wider range of uses permitted in C2 districts, such as funeral homes and local repair services. In buildings with residential uses, commercial uses are limited to one or two floors and must always be located below the residential use.

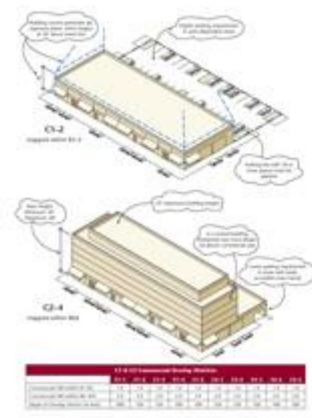
The maximum commercial floor area ratio is 2.0. Residential uses are governed by a specific residential district equivalent. For example, in C1-6 districts, the bulk regulations of R7 districts apply for residential uses, and in C2-8A districts, the bulk regulations or R10A districts apply. Since these districts are usually mapped in areas well served by mass transit, parking is generally not required.

## Commercial Districts: C1 & C2 Overlays

C1 & C2 Overlays

**C1–1 C1–2 C1–3 C1–4 C1–5**

**C2–1 C2–2 C2–3 C2–4 C2–5**

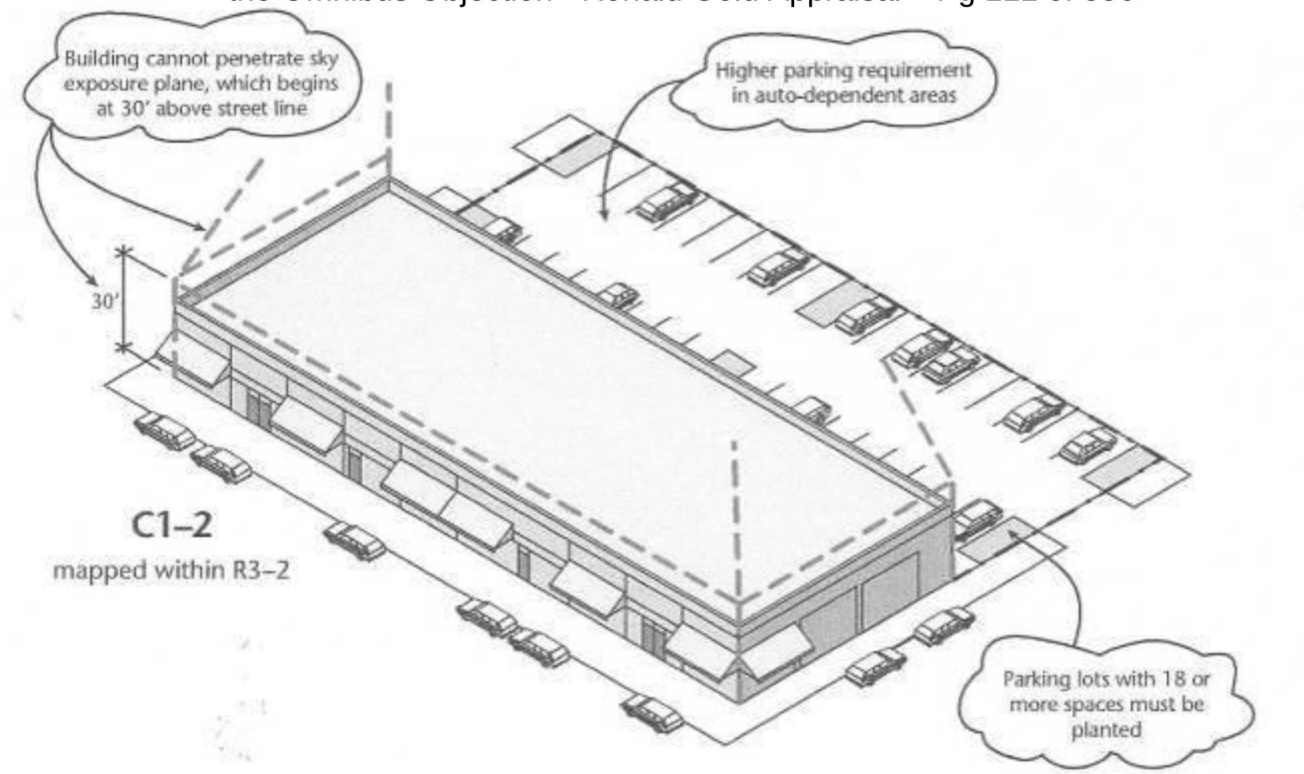


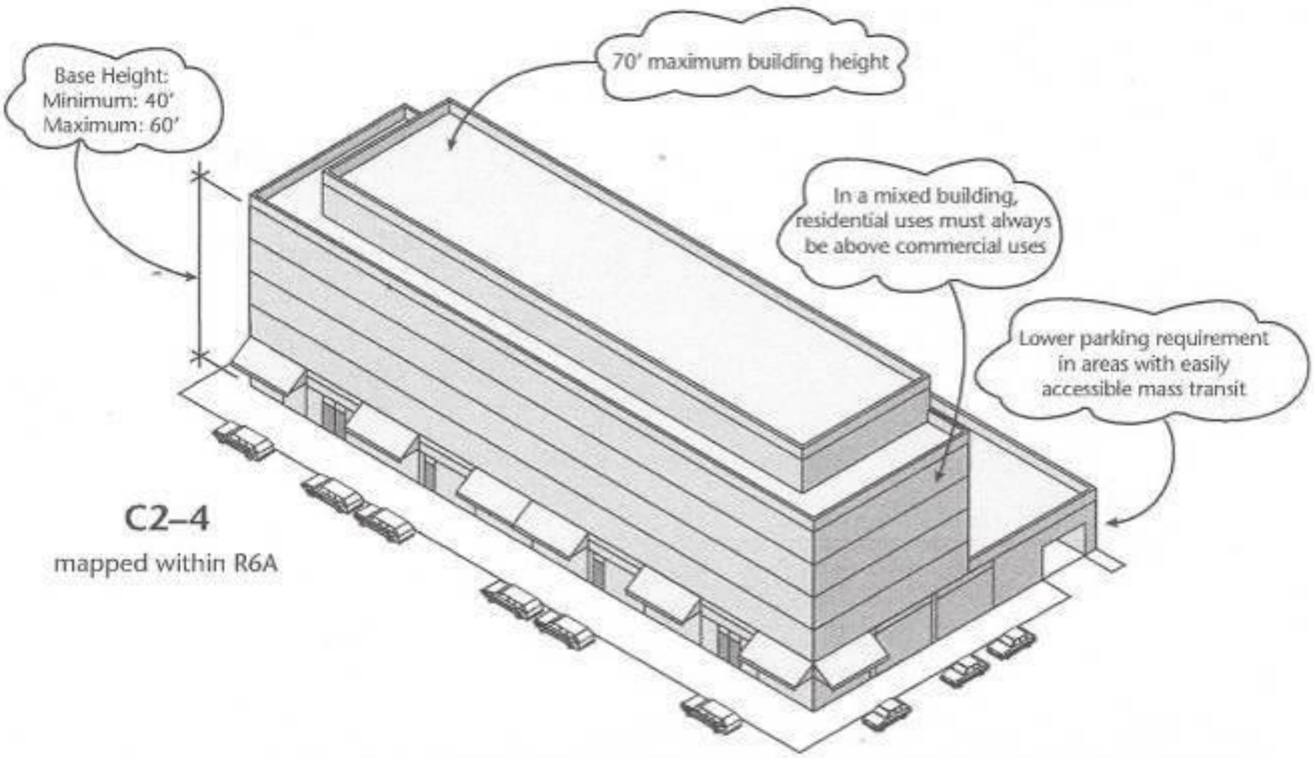
View Larger Image

**C1-1 through C1-5 and C2-1 through C2-5 districts are *commercial overlays* mapped within residence districts. Mapped along streets that serve local retail needs, they are found extensively throughout the city's lower- and medium-density areas and occasionally in higher-density districts.**

**Typical retail *uses* include neighborhood grocery stores, restaurants and beauty parlors. C2 districts permit a slightly wider range of uses, such as funeral homes and repair services. In *mixed buildings*, commercial uses are limited to one or two floors and must always be located below the residential use.**

**When commercial overlays are mapped in R1 through R5 districts, the maximum commercial *floor area ratio* (FAR) is 1.0; when mapped in R6 through R10 districts, the maximum commercial FAR is 2.0. Commercial buildings are subject to commercial *bulk* rules. Overlay districts differ from other commercial districts in that residential bulk is governed by the residence district within which the overlay is mapped. All other commercial districts that permit residential use are assigned a specific *residential district equivalent*. Unless otherwise indicated on the *zoning maps*, the depth of overlay districts ranges from 100 to 200 feet. Generally, the lower the numerical suffix, the more off-street parking is required. For example, in C1-1 districts, typically mapped in outlying areas of the city, a large food store would require one parking space for every 100 square feet of floor area, whereas no parking is required in C1-5 districts, which are well served by mass transit.**




| C1 & C2 Commercial Overlay Districts | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | C1–1 | C1–2 | C1[illegible] | C1–4 | C1–5 | C2–1 | C2–2 | C2–3 | C2–4 | C2–5 |
| Commercial FAR within R1–R5 | 1.0 | 1.0 | [illegible] | [illegible] | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Commercial FAR within R6–R10 | 2.0 | 2.0 | 2.0 | [illegible] | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Depth of Overlay District (in feet) | 200 | 150 | 150 | 100 | 100 | 150 | 150 | 150 | 100 | 100 |

Subject

## NEIGHBORHOOD ANALYSIS

The subject property is located in the heart of Manhattan's East Village. This part of town has always been a separate, distinct section of New York. Even today, when it is still officially part of Manhattan, it is still very much a city-within-a-city, and not a homogeneous one at that. The "trendy" Lower East Side is directly to the south of the subject area has improved significantly over the last 20 years. Both the East Village and the Lower East Side neighborhoods are now home to trendy "theme bars" and "wild nightlife" popular with the younger set. In addition, numerous recently erected condominium mid- and hi-rise developments have shot up along Houston Street and the Bowery over the last 8 years.

The general area known as "The Village," as it is now called, is home to students of New York University at Washington Square, 5 blocks southwest of the subject. There are numerous Off-Off Broadway theaters, jazz clubs, dance clubs (formerly "discos"). The Village is radical and old guard, grand and glitzy, artistic and unappetizing. Indeed, this is the former congressional district of the former NYC Mayor Edward I. Koch. It arouses fanatical loyalty among its residents . . . who fight among themselves about social and political issues of the day, but also fight to maintain the human scale and to preserve the history of The Village. The Village (incorporating both the East and West Village), generally thought of as extending from Houston Street north to 14th Street and from The East River west to the Hudson River, contains the Greenwich Village Historic District, the largest and most diverse in the city (from Washington Square North to 14th Street). In the 1930's The Village was home not only to Bohemians, but also to old families and white-collar workers. After World War II, the beat generation and the "druggies" discovered The East and West Village. Later on commercialism set in and developers got their hooks in. Although residents have fought hard to keep the community the way it is, apartment houses have made inroads as well.

**Public transportation** accessibility for the subject property is **above average,** with stop of the Lexington Avenue IRT #6 train at Astor Place, 2 blocks west of the subject. Bus service is above average, with service available crosstown along 8th and 9th Streets (**The M9 Bus**). In addition, the M9 bus stops along Avenue B, approximately 2 blocks from the subject. This bus travels from Greenwich Avenue (in the West Village) east, then south via Avenue B, leading to East Houston Street, and continuing south on Essex Street to Lower Manhattan. **North/South bus service** (M15) can be found along 1st and 2nd Avenue.

**Supporting commercial facilities** are readily available along 1st and 2nd and 3rd Avenues and along St. Marks Place, where a wide variety of trendy restaurants, "old world" early 20th century delicatessens, trendy new restaurants and clubs, boutiques, discount electronics stores, dry cleaners, pharmacies, shoe stores**,** "gray market" discount clothing stores as well as "art movie and independent film houses" can be found. **Three formidable world-class educational institutions** are located in the greater East Village general subject area. **Cooper Union College,** founded in the mid-19th century, is located just 2 blocks west of the subject. There is a recently erected (2008 construction) Cooper Union College Building along Third Avenue. Cooper Union's auditorium is one of the oldest in New York City, and Lincoln gave a notable historic campaign speech there in 1860. **The New School** *(10 blocks northwest of the subject)* was founded in the 1930's as America's first "avant-garde" university for adults. It still champions social causes and offers a dazzling variety of night school courses, as well as fully matriculated degree courses of study. It completed construction on its main headquarters building in 2014, at 14th Street and Fifth Avenue. **New York University**, a major commercial and cultural anchor in the immediate subject area, is located within a 10-block radius to the west of the subject, in and around Washington Square and consists of 13 colleges and schools, including top notch law and medical schools.

# East Village, Manhattan, Courtesy: Wikipedia

From Wikipedia, the free encyclopedia

The **East Village** is a neighborhood on the East Side of Lower Manhattan in New York City. It is roughly defined as the area east of the Bowery and Third Avenue, between 14th Street on the north and Houston Street on the south.[2] The East Village contains three subsections: Alphabet City, in reference to the single-letter-named avenues that are located to the east of First Avenue; Little Ukraine, near Second Avenue and 6th and 7th Streets; and the Bowery, located around the street of the same name.

Initially, what is now the East Village was occupied by the Lenape Native Americans, and was then divided into plantations by Dutch settlers. During the early 19th century, the East Village contained many of the city's most opulent estates. By the middle of the century, it grew to include a large immigrant population—including what was once referred to as Manhattan's Little Germany—and was considered part of the nearby Lower East Side. By the late 1960s, many artists, musicians, students and hippies began to move into the area, and the East Village was given its own identity. Since at least the 2000s, gentrification has changed the character of the neighborhood.

The East Village is part of Manhattan Community District 3, and its primary ZIP Codes are 10003 and 10009.[1] It is patrolled by the 9th Precinct of the New York City Police Department.

## History

### Early development

Stuyvesant Street, one of the neighborhood's oldest streets, in front of St. Mark's Church in-the-Bowery. It served as the boundary between boweries 1 and 2, owned by Peter Stuyvesant.

The area that is today known as the East Village was originally occupied by the Lenape Native Americans.[6] The Lenape relocated during different seasons, moving toward the shore to fish during the summers, and moving inland to hunt and grow crops during the fall and winter.[7] Manhattan was purchased in 1626 by Peter Minuit of the Dutch West India Company, who served as director-general of New Netherland.[8][9] The population of the Dutch colony of New Amsterdam was located primarily below the current Fulton Street, while north of it were a number of small plantations and large farms that were then called *bouwerij* (anglicized to "boweries"; modern Dutch: *boerderij*). Around these farms were a number of enclaves of free or "half-free" Africans, which served as a buffer between the Dutch and the Native Americans.[6][10] One of the largest of these was located along the modern Bowery between Prince Street and Astor Place, as well as the "only separate enclave" of this type within Manhattan.[6][11] These black farmers were some of the earliest settlers of the area.

There were several "boweries" within what is now the East Village. Bowery no. 2 passed through several inhabitants, before the eastern half of the land was subdivided and given to Harmen Smeeman in 1647. Peter Stuyvesant, the director-general of New Netherland, owned adjacent bowery no. 1 and

bought bowery no. 2 in 1656. Stuyvesant's manor, also called Bowery, was located near what is now 10th Street between Second and Third Avenues. Though the manor burned down in the 1770s, his family held on to the land for over seven generations, until a descendant began selling off parcels of the property in the early 19th century.[13][14] Bowery no. 3 was located near today's 2nd Street between Second Avenue and the modern street named Bowery. It was owned by Gerrit Hendricksen in 1646 and later given to Philip Minthorne by 1732. The Minthorne and Stuyvesant families both owned slaves on their farms.[14] According to an 1803 deed, Stuyvesant's slaves were to be buried in a cemetery plot at St. Mark's Church in-the-Bowery.[15] The Stuyvesants' estate later expanded to include two Georgian-style manors: the "Bowery House" to the south[13][14] and "Petersfield" to the north.[16][17]

Many of these farms had become wealthy country estates by the middle of the 18th century. The Stuyvesant, DeLancey, and Rutgers families would come to own most of the land on the Lower East Side, including the portions that would later become the East Village.[18] By the late 18th century, Lower Manhattan estate owners started having their lands surveyed to facilitate the future growth of Lower Manhattan into a street grid system. The Stuyvesant plot, surveyed in the 1780s or 1790s, was planned to be developed with a new grid around Stuyvesant Street, a street that ran compass west–east. This contrasted with the grid system that was ultimately laid out under the Commissioners' Plan of 1811, which is offset by 28.9 degrees clockwise. Stuyvesant Street formed the border between former boweries 1 and 2, and the grid surrounding it included four north–south and nine west–east streets.[13][14] Because each landowner had done their own survey, there were multiple different street grids that did not align with each other. Various state laws, passed in the 1790s, gave the city of New York the ability to plan out, open, and close streets.[16][17] The final plan, published in 1811, resulted in the current street grid north of Houston Street, and most of the streets in the modern East Village were conformed to this plan, except for Stuyvesant Street.[19] The north–south avenues within the Lower East Side were finished in the 1810s, followed by the west–east streets in the 1820s.[20]

## Upscale neighborhood

Hamilton-Holly House

Daniel LeRoy House

Two of the remaining terrace houses on St. Mark's Place, both are city landmarks[17]

The Commissioners' Plan and resulting street grid was the catalyst for the northward expansion of the city,[21] and for a short period, the portion of the Lower East Side that is now the East Village was one of the wealthiest residential neighborhoods in the city.[22] Bond Street between the Bowery and Broadway, just west of the East Side within present-day NoHo, was considered the most upscale street address in the city by the 1830s,[18] with structures such as the Greek Revival-style Colonnade Row and Federal-style rowhouses.[23][17] The neighborhood's prestigious nature could be attributed to several factors, including a rise in commerce and population following the Erie Canal's opening in the 1820s.[21]

Following the grading of the streets, development of rowhouses came to the East Side and NoHo by the early 1830s.[21] One set of Federal-style rowhouses was built in the 1830s by Thomas E. Davis on 8th Street between Second and Third Avenues. That block was renamed "St. Mark's Place" and is one of the few remaining terrace names in the East Village.[24] In 1833, Davis and Arthur Bronson bought the entire block of 10th Street from Avenue A to Avenue B. The block was located adjacent to Tompkins Square Park, located between 7th and 10th Streets from Avenue A to Avenue B, designated the same year.[25] Though the park was not in the original Commissioners' Plan of 1811, part of the land from 7th to 10th Streets east of First Avenue had been set aside for a marketplace that was ultimately never built.[6] Rowhouses of 2.5 to 3 stories were built on the side streets by such developers as Elisha Peck and Anson Green Phelps; Ephraim H. Wentworth; and Christopher S. Hubbard and Henry H. Casey.

Mansions were also built on the East Side. One notable address was the 12-house development called "Albion Place", located on Fourth Street between the Bowery and Second Avenue, built for Peck and Phelps in 1832–1833.[23][24] Second Avenue also had its own concentration of mansions, though most residences on that avenue were row houses built by speculative land owners, including the Isaac T. Hopper House.[24][27] One *New York Evening Post* article in 1846 said that Second Avenue was to become one of "the two great avenues for elegant residences" in Manhattan, the other being Fifth Avenue.[19] Two marble cemeteries were also built on the East Side: the New York City Marble Cemetery, built in 1831 on 2nd Street between First and Second Avenues,[28]:1 and the New York Marble Cemetery, built in 1830 within the backlots of the block to the west.[29]:1 Following the rapid growth of the neighborhood, Manhattan's 17th ward was split from the 11th ward in 1837. The former covered the area from Avenue B to the Bowery, while the latter covered the area from Avenue B to the East River.[30]

## Immigrant neighborhood[

**19th century**

*See also: Little Germany, Manhattan*

Former German-American Shooting Society Clubhouse at 12 St Mark's Place (1885), part of Little Germany

By the middle of the 19th century, many of the wealthy had continued to move further northward to the Upper West Side and the Upper East Side.[31]:10 Some wealthy families remained, and one observer

noted in the 1880s that these families "look[ed] down with disdain upon the parvenus of Fifth avenue."[32] In general, though, the wealthy population of the neighborhood started to decline as many moved northward. Immigrants from modern-day Ireland, Germany, and Austria moved into the rowhouses and manors.[30]

The population of Manhattan's 17th ward, which included the western part of the modern East Village and Lower East Side, doubled from 18,000 people in 1840 to over 43,000 in 1850, and nearly doubled yet again to 73,000 persons in 1860, becoming the city's most highly populated ward at that time.[30][33]:29, 32 As a result of the Panic of 1837, the city had experienced less construction in the previous years, and so there was a dearth of units available for immigrants, resulting in the subdivision of many houses in lower Manhattan.[30][34] Another solution was brand-new "tenant houses", or tenements, within the East Side.[31]:14–15 Clusters of these buildings were constructed by the Astor family and Stephen Whitney.[35] The developers rarely involved themselves with the daily operations of the tenements, instead subcontracting landlords (many of them immigrants or their children) to run each building.[36] Numerous tenements were erected, typically with footprints of 25 by 25 feet (7.6 by 7.6 m), before regulatory legislation was passed in the 1860s.[35] To address concerns about unsafe and unsanitary conditions, a second set of laws was passed in 1879, requiring each room to have windows, resulting in the creation of air shafts between each building. Subsequent tenements built to the law's specifications were referred to as Old Law Tenements.[37][38] Reform movements, such as the one started by Jacob Riis's 1890 book *How the Other Half Lives*, continued to attempt to alleviate the problems of the area through settlement houses, such as the Henry Street Settlement, and other welfare and service agencies.

Because most of the new immigrants were German speakers, modern East Village and the Lower East Side collectively became known as "Little Germany" (German: *Kleindeutschland*).[33]:29[39][40][41] The neighborhood had the third largest urban population of Germans outside of Vienna and Berlin. It was America's first foreign language neighborhood; hundreds of political, social, sports and recreational clubs were set up during this period.[39] Numerous churches were built in the neighborhood, of which many are still extant.[37] In addition, Little Germany also had its own library on Second Avenue,[40] now the New York Public Library's Ottendorfer branch.[42] However, the community started to decline after the sinking of the *General Slocum* on June 15, 1904, in which over a thousand German-Americans died.

The Germans who moved out of the area were replaced by immigrants of many different nationalities.[44] This included groups of Italians and Eastern European Jews, as well as Greeks, Hungarians, Poles, Romanians, Russians, Slovaks and Ukrainians, each of whom settled in relatively homogeneous enclaves.[12]:769–770 In *How the Other Half Lives*, Riis wrote that "a map of the city, colored to designate nationalities, would show more stripes than on the skin of a zebra, and more colors than any rainbow."[38]:20 One of the first groups to populate the former Little Germany were Yiddish-speaking Ashkenazi Jews, who first settled south of Houston Street before moving northward.[45] The Roman Catholic Poles as well as the Protestant Hungarians would also have a significant impact in the East Side, erecting houses of worship next to each other along 7th Street at the turn of the 20th century. American-born New Yorkers would build other churches and community institutions, including the Olivet Memorial Church at 59 East 2nd Street (built 1891), the Middle Collegiate Church at 112 Second Avenue (built 1891–1892), and the Society of the Music School Settlement, now Third Street Music School Settlement, at 53–55 East 3rd Street (converted 1903–1904).[46] By the 1890s, tenements were being designed in the ornate Queen Anne and Romanesque Revival styles, though tenements built in the later part of the decade were built in the Renaissance Revival style.[47] At the time, the area was increasingly being identified as part of the Lower East Side.

### 20th century

The Village East Cinema/Louis N. Jaffe Theater was originally a Jewish theater

*See also: Yiddish Theatre District*

By the 1890s and 1900s, any remaining manors on Second Avenue had been demolished and replaced with tenements or apartment buildings. The New York State Tenement House Act of 1901 drastically changed the regulations to which tenement buildings had to conform.[49][50] The early 20th century marked the creation of apartment houses,[51] office buildings,[52] and other commercial or institutional structures on Second Avenue.[53] After the widening of Second Avenue's roadbed in the early 1910s, many of the front stoops on that road were eliminated.[54] The symbolic demise of the old fashionable district came in 1912 when the last resident moved out of the Thomas E. Davis mansion at Second Avenue and St. Mark's Place, which *The New York Times* had called the "last fashionable residence" on Second Avenue.

Simultaneously with the decline of the last manors, the Yiddish Theatre District or "Yiddish Rialto" developed within the East Side. It contained many theaters and other forms of entertainment for the Jewish immigrants of the city.[56][57] While most of the early Yiddish theaters were located south of Houston Street, several theater producers were considering moving north along Second Avenue by the first decades of the 20th century.[58] Second Avenue gained more prominence as a Yiddish theater destination in the 1910s with the opening of two theatres: the Second Avenue Theatre, which opened in 1911 at 35–37 Second Avenue,[59] and the National Theater, which opened in 1912 at 111–117 East Houston Street.[60] This was followed by the opening of several other theaters, such as the Louis N. Jaffe Theater and the Public Theatre in 1926 and 1927 respectively. Numerous movie houses also opened in the East Side, including six on Second Avenue.[61] By World War I, the district's theaters hosted as many as 20 to 30 shows a night.[57] After World War II, Yiddish theater became less popular,[62] and by the mid-1950s few theaters were still extant in the District.

The city built First Houses on the south side of East 3rd Street between First Avenue and Avenue A, and on the west side of Avenue A between East 2nd and East 3rd Streets in 1935–1936, the first such public housing project in the United States.[12]:769–770[64]:1 The neighborhood originally ended at the East River, to the east of where Avenue D was later located. In the mid-20th century landfill—including World War II debris and rubble shipped from London—was used to extend the shoreline to provide foundation for the Franklin D. Roosevelt Drive.[65] In the mid-20th century, Ukrainians would create a Ukrainian enclave in the neighborhood, centered around Second Avenue and 6th and 7th Streets.[66][67] The Polish enclave in the East Village persisted as well. Numerous other immigrant groups had moved out, and their former churches were sold and became Orthodox cathedrals.[66] Latin American immigrants started to move to the East Side, settling in the eastern part of the neighborhood and creating an enclave that later came to be known as Loisaida.

St. Nicholas Kirche at East 2nd Street, just west of Avenue A. The church and almost all buildings on the street were demolished in 1960 and replaced with parking lots for the Village View Houses[71]

The East Side's population started to decline at the start of the Great Depression in the 1930s and the implementation of the Immigration Act of 1924, and the expansion of the New York City Subway into the outer boroughs.[72] Many old tenements, deemed to be "blighted" and unnecessary, were destroyed in the middle of the 20th century.[73] A substantial portion of the neighborhood, including the Ukrainian enclave, was slated for demolition under the Cooper Square Urban Renewal Plan of 1956, which was to redevelop the area from Ninth to Delancey Streets from the Bowery/Third Avenue to Chrystie Street/Second Avenue with new privately owned cooperative housing.[73][74] The United Housing Foundation was selected as the sponsor for the project,[75] and there was significant opposition to the plan, as it would have displaced thousands of people.[76] Neither the original large-scale development nor a 1961 revised proposal were implemented and the city's government lost interest in performing such large-scale slum-clearance projects.[77] Another redevelopment project that was completed was the Village View Houses on First Avenue between East 2nd and 6th Streets, which opened in 1964[77] partially on the site of the old St. Nicholas Kirche.[71]

## Rebranding and cultural scene

#### Initial rebranding[

Until the mid-20th century, the area was simply the northern part of the Lower East Side, with a similar culture of immigrant, working-class life. In the 1950s and 1960s, the migration of Beatniks into the neighborhood later attracted hippies, musicians, writers, and artists who had been priced out of the rapidly gentrifying Greenwich Village.[2][77][78]:254 Among the first displaced Greenwich Villagers to move to the area were writers Allen Ginsberg, W. H. Auden, and Norman Mailer, who all moved to the area in 1951–1953.[78]:258 A cluster of cooperative art galleries on East 10th Street (later collectively referred to as the 10th Street galleries) were opened around the same time, starting with the Tanger and the Hansa, which both opened in 1952.[77][79] Further change came in 1955 when the Third Avenue elevated railway above the Bowery and Third Avenue was removed.[77][80] This in turn made the neighborhood more attractive to potential residents, and by 1960, *The New York Times* said that "this area is gradually becoming recognized as an extension of Greenwich Village ... thereby extending New York's Bohemia from river to river".[77][81]

The 1960 *Times* article stated that rental agents were increasingly referring to the area as "Village East" or "East Village".[81] The new name was used to dissociate the area from the image of slums evoked by the Lower East Side. According to *The New York Times*, a 1964 guide called *Earl Wilson's New York* wrote that "artists, poets and promoters of coffeehouses from Greenwich Village are trying to remelt the neighborhood under the high-sounding name of 'East Village.'"[2] Newcomers and real estate brokers popularized the new name, and the term was adopted by the popular media by the mid-1960s.[82]:ch. 5 A weekly newspaper with the neighborhood's new name, *The East Village Other*, started

publication in 1966. *The New York Times* declared that the neighborhood "had come to be known" as the East Village in the edition of June 5, 1967.

**Growth**

The Phyllis Anderson Theater, one of several theaters that were originally Yiddish theaters

The East Village became a center of the counterculture in New York, and was the birthplace and historical home of many artistic movements, including punk rock[83] and the Nuyorican literary movement.[84] Multiple former Yiddish theaters were converted for use by Off-Broadway shows: for instance, the Public Theater at 66 Second Avenue became the Phyllis Anderson Theater.[77] Numerous buildings on East 4th Street hosted Off-Broadway and Off-Off-Broadway productions, including the Royal Playhouse, the Fourth Street Theatre, the Downtown Theatre, the La MaMa Experimental Theatre Club, and the Truck & Warehouse Theater just on the block between Bowery and Second Avenue.[66][81]

By the 1970s and 1980s, the city in general was in decline and nearing bankruptcy, especially after the 1975 New York City fiscal crisis.[68] Residential buildings in the East Village suffered from high levels of neglect, as property owners did not properly maintain their buildings.[82]:191–194 The city purchased many of these buildings, but was also unable to maintain them due to a lack of funds.[68] Following the publication of a revised Cooper Square renewal plan in 1986,[85] some properties were given to the Cooper Square Mutual Housing Association as part of a 1991 agreement.[85][86]

In spite of the deterioration of the structures within the East Village, its music and arts scenes were doing well. By the 1970s, gay dance halls and punk rock clubs had started to open in the neighborhood.[85] These included the Fillmore East Music Hall (later a gay private nightclub called The Saint), which was located in a movie theater at 105 Second Avenue.[85][78]:264 The Phyllis Anderson Theatre was converted into Second Avenue Theater, an annex of the CBGB music club, and hosted musicians and bands such as Bruce Springsteen, Patti Smith, and the Talking Heads. The Pyramid Club, which opened in 1979 at 101 Avenue A, hosted musical acts such as Nirvana and Red Hot Chili Peppers, as well as drag performers such as RuPaul and Ann Magnuson.[85] In addition, there were over 100 art galleries in the East Village by the mid-1980s. These included Patti Astor and Bill Stelling's Fun Gallery at 11th Street, as well as numerous galleries on 7th Street.[85]

**Decline**[

By 1987, the visual arts scene was in decline.[87] Many of these art galleries relocated to more profitable neighborhoods such as SoHo, or closed altogether.[88][85] The arts scene had become a victim of its own success, since the popularity of the art galleries had revived the East Village's real estate market.[89]

A wall in the East Village in 1998, featuring a mural of two men

One club that tried to resurrect the neighborhood's past artistic prominence was Mo Pitkins' House of Satisfaction, part-owned by comedian Jimmy Fallon before it closed in 2007.[90] A Fordham University study, examining the decline of the East Village performance and art scene, stated that "the young, liberal culture that once found its place on the Manhattan side of the East River" has shifted in part to new neighborhoods like Williamsburg in Brooklyn.[91][92] There are still some performance spaces, such as Sidewalk Cafe on 6th Street and Avenue A, where downtown acts find space to exhibit their talent, as well as the poetry clubs Bowery Poetry Club and Nuyorican Poets Café.[93]

## Gentrification, preservation, and present day[edit]

In the late 20th and early 21st centuries, East Village became gentrified as a result of real-estate price increases following the success of the arts scene.[94][89] In the 1970s, rents were extremely low and the neighborhood was considered among the last places in Manhattan where many people would want to live.[95] However, as early as 1983, the *Times* reported that because of the influx of artists, many longtime establishments and immigrants were being forced to leave the East Village due to rising rents.[96] By the following year, young professionals constituted a large portion of the neighborhood's demographics.[95] Even so, crimes remained prevalent and there were often drug deals being held openly in Tompkins Square Park.[97]

Tensions over gentrification resulted in the 1988 Tompkins Square Park riot, which occurred following opposition to a proposed curfew that had targeted the park's homeless. The aftermath of the riot slowed down the gentrification process somewhat as real estate prices declined.[98] However, by the end of the 20th century, real estate prices had resumed their rapid rise. About half of the East Village's stores had opened within the decade since the riot, while vacancy rates in that period had dropped from 20% to 3%, indicating that many of the longtime merchants had been pushed out.[99]

By the early 21st century, some buildings in the area were torn down and replaced by newer buildings.[100] One example of this was in 2010, when actor David Schwimmer bought an 1852 townhouse on 6th Street and completely rebuilt it, despite having received several notices of its possible landmark status.[101]

#### Rezoning

Due to the gentrification of the neighborhood, parties including the Greenwich Village Society for Historic Preservation (GVSHP), Manhattan Community Board 3, the East Village Community Coalition, and City Councilmember Rosie Mendez, began calling for a change to the area's zoning in the first decade of the 21st century. The city first released a draft in July 2006, which concerned an area bounded by East 13th Street on the north, Third Avenue on the west, Delancey Street on the south, and Avenue D on the east. The rezoning proposal was done in response to concerns about the character and scale of some of the new buildings in the neighborhood.[104] Despite protests and accusations of promoting gentrification and increased property values over the area's history and need for affordable housing, the rezoning was approved in 2008.[104] Among other things, The zoning established height limits for new development throughout the affected area, modified allowable density of real estate, capped air rights transfers, eliminated the current zoning bonus for dorms and hotels, and created incentives for the creation and retention of affordable housing.

**Landmark efforts**

"Extra Place", an obscure side street off of East 1st Street, just east of the Bowery

Local community groups such as the GVSHP are actively working to gain individual and district landmark designations for the East Village to preserve and protect the architectural and cultural identity of the neighborhood.[106] In early 2011, the New York City Landmarks Preservation Commission (LPC) proposed two East Village historic districts: a small district along the block of 10th Street that lies north of Tompkins Square Park, and a larger district focused around lower Second Avenue.[107] before later being expanded.[108] In January 2012, the East 10th Street Historic District was designated by the LPC,[109][110] and that October, the larger East Village/Lower East Side Historic District was also designated by the LPC.[111]

Several notable buildings are designated as individual landmarks, some due to the GVSHP's efforts. These include:

- The First Houses at East 3rd Street and Avenue A, the country's first public housing development, built in 1935 and designated in 1974
- The Stuyvesant Polyclinic at 137 Second Avenue, built in 1884 and designated in 1976[112]
- The Christodora House, built in 1928 and listed on the National Register of Historic Places in 1986[113]
- The Children's Aid Society's Tompkins Square Lodging House for Boys and Industrial School at 296 East 8th Street, built in 1886 and designated in 2000[114]
- Public School 64 at 350 East 10th Street, a French Renaissance Revival public school built in 1904–1906 by architect and school superintendent C.B.J. Snyder, designated in 2006[115]
- Webster Hall, a Romanesque Revival concert hall and nightclub designed in 1886,[116] designated in 2008[117]
- The Children's Aid Society's Elizabeth Home for Girls at 308 East 12th Street, built in 1891–1892 and designated in 2008[118]
- The Wheatsworth Bakery Building, built in 1927–1928 and designated in 2008[119]
- The St. Nicholas of Myra Church at 288 East 10th Street, designated in 2008[120]
- The Van Tassell and Kearney Horse Auction Mart at 126–128 East 13th Street, a horse auction mart built in 1903–1904, designated in 2012[121]
- The First German Baptist Church (Town & Village Synagogue) at 334 East 14th Street, designated in 2014

- 

First Houses

- 

Webster Hall

- 

128 East 13th Street

East 5th Street between Second Avenue and Cooper Square is a typical side street in the heart of the East Village

Landmark efforts have included a number of losses as well. Despite the request of GVSHP and allied groups in 2012 for landmarking of Mary Help of Christians school, church and rectory, the site was demolished starting in 2013.[123] In 2011, an early 19th-century Federal house at 35 Cooper Square—one of the oldest on the Bowery and in the East Village—was approved for demolition to make way for a college dorm.[124] over requests of community groups and elected officials.[125] Furthermore, the LPC acts on no particular schedule, leaving open indefinitely some "calendared" requests for designation.[126] Sometimes it simply declines requests for consideration, as it did regarding an intact Italianate tenement at 143 East 13th Street.[127] In other cases, the LPC has refused the expansion of existing historic districts, as in 2016 when it declined to add 264 East 7th Street (the former home of

illustrator Felicia Bond) and four neighboring rowhouses to the East Village/Lower East Side Historic District.[128]

#### 2015 gas explosion[

*Main article: 2015 East Village gas explosion*

On March 26, 2015, a gas explosion occurred on Second Avenue after a gas line was tapped.[129] The explosion and resulting fire destroyed three buildings at 119, 121 and 123 Second Avenue, between East 7th Street and St. Marks Place. Two people were killed, and at least twenty-two people were injured, four critically.[130] Three restaurants were also destroyed in the explosion.[131]

## Geography[edit]

Neighboring the East Village are the Lower East Side to the south, NoHo to the west, Stuyvesant Park to the northwest, and Stuyvesant Town to the northeast. The East Village contains several smaller vibrant communities, each with its own character.[132]

### Subsections[

#### Alphabet City[

Alphabet City is the eastern section of East Village that is so named because it contains avenues with single-lettered names, i.e. Avenues A, B, C, and D. It is bordered by Houston Street to the south and 14th Street to the north. Notable places within Alphabet City include Tompkins Square Park and the Nuyorican Poets Café.[69][133][134] Alphabet City also contains St. Marks Place, the continuation of Eighth Street between Third Avenue and Avenue A. The street contains a Japanese street culture; an aged punk culture and CBGB's new store; the former location of one of New York City's only Automats;[135] and a portion of the "Mosaic Trail", a trail of 80 mosaic-encrusted lampposts that runs from Broadway down Eighth Street to Avenue A, to Fourth Street and then back to Eighth Street.[136]

Alphabet City was once the archetype of a dangerous New York City neighborhood. Its turn-around was cause for *The New York Times* to observe in 2005 that Alphabet City went "from a drug-infested no man's land to the epicenter of downtown cool."[137] This part of the neighborhood has long been an ethnic enclave for Manhattan's German, Polish, Hispanic, and Jewish populations. Crime went up in the area in the late 20th century but then declined in the 21st century, as the area became gentrified.[138] Alphabet City's alternate name Loisaida, which is also used as the alternate name for Avenue C, is a term derived from the Latino, and especially Nuyorican, pronunciation of "Lower East Side". The term was originally coined by poet/activist Bittman "Bimbo" Rivas in his 1974 poem "Loisaida".[70][139]

#### Bowery

Once synonymous with "Bowery Bums", the Bowery area has become a magnet for luxury condominiums as the East Village neighborhood's rapid gentrification continues

*Main article: Bowery*

The Bowery was once known for its many homeless shelters, drug rehabilitation centers and bars. The phrase "On the Bowery", which has since fallen into disuse, was a generic way to say one was down-

and-out.[140] By the 21st century, the Bowery had become a boulevard with new luxury condominiums. Redevelopment of the avenue from flophouses to luxury condominiums has met resistance from long-term residents, who agree the neighborhood has improved but its unique, gritty character is disappearing.[141] The Bowery has also become an area with a diverse artistic community. It is the location of the Bowery Poetry Club, where artists Amiri Baraka and Taylor Mead have held regular readings and performances,[142] and until 2006 was home to the punk-rock nightclub CBGB.[143]

**Little Ukraine**

Taras Shevchenko Place, with St. George's Church on the north side, and St. George Academy on the south side.

Little Ukraine is an ethnic enclave in the East Village, which has served as a spiritual, political and cultural epicenter for several waves of Ukrainian Americans in New York City as far back as the late 19th century.[144]

At the beginning of the 20th century, Ukrainian immigrants began moving into areas previously dominated by fellow Eastern European and Galician Jews, as well as the Lower East Side's German enclave. After World War II, the Ukrainian population of the neighborhood reached 60,000,[67] but as with the city's Little Italy, today the neighborhood consists of only a few Ukrainian stores and restaurants. Today, the East Village between Houston and 14th Street, and Third Avenue and Avenue A[145] still houses nearly a third of New York City's Ukrainian population.[146] Several churches, including St. George's Catholic Church; Ukrainian restaurants and butcher shops; The Ukrainian Museum; the Shevchenko Scientific Society; and the Ukrainian Cultural Center are evidence of the impact of this culture on the area.[147]The gallery American Painting, located on E. 6th Street during 2004-2009, presented a painting exhibition by artists Andrei Kushnir and Michele Martin Taylor titled "East Village Afternoon" depicting many of these sites.[148]

Since the early 20th century, St. George Ukrainian Catholic Church has served as the anchor of Little Ukraine, offering daily liturgies and penances, and operating the adjoining St. George Academy, a coeducational parochial school. Starting in 1976, the church has sponsored an annual Ukrainian Heritage Festival, regularly described as one of the few remaining authentic New York City street fairs.[149] In April 1978, the New York City Council renamed Taras Shevchenko Place, a small connecting street between East 7th and 6th Streets, after Taras Shevchenko, Ukraine's national bard.[150]

## Culture

# Cultural institutions

**Preservation institution:**

- Greenwich Village Society for Historic Preservation[164]

**Gallery:**

- Tenth Street galleries

**Museums:**

- Museum of Reclaimed Urban Space
- New Museum of Contemporary Art
- Brant Foundation Art Museum
- The Ukrainian Museum

**Movie theaters**

- Anthology Film Archives
- City Cinema Village East
- Landmark's Sunshine Theater
- Two Boots Pioneer Theater
- Village East Cinema

**Music venues:**

- Bowery Ballroom – concerts and shows
- Mercury Lounge – live music
- Nublu Club – live music
- The Stone – experimental music
- Rue B – live jazz

**Poetry venues:**

- Nuyorican Poets Café – music, poetry, readings, slams
- Bowery Poetry Club – music, poetry, readings, slams
- Poetry Project – at St. Mark's Church in-the-Bowery

**Theaters and performance spaces:**

- Amato Opera
- Bouwerie Lane Theatre
- Connelly Theater – historic Off-Broadway venue
- Danspace Project – at St. Mark's Church in-the-Bowery
- La MaMa E.T.C. – avant-garde theater
- Metropolitan Playhouse[165]
- The Ontological-Hysteric Theater – at St. Mark's Church in-the-Bowery
- The Pearl Theatre Company[166]
- Tompkins Square Park - Regular site of outdoor music, dance, and performance
- Performance Space New York
- *Stomp!* – long running Off-Broadway perform ance
- Theater for the New City[167]
- Theatre for a New Audience
- Wild Project[168]

The Nuyorican Poets Ca
off Avenue C and East 3
founding in 1973


The Bowery Poetry Club

## Neighborhood festivals


Sherry Vine and Joey Arias during the 2009 HOWL! Festival

- Mayday Festival – May 1; yearly.
- Charlie Parker Jazz Festival – August; yearly
- HOWL! Festival – Summer; yearly.[170][171]
- Dance Parade – Summer; yearly.
- Dream Up Festival – August–September; yearly.[172]
- Tompkins Square Halloween Dog Parade – October; yearly.

# Parks and gardens[edit]

## Large parks

Tompkins Square Park is the recreational and geographic heart of the East Village. It has historically been a part of counterculture, protest and riots

Tompkins Square Park is a 10.5-acre (4.2 ha) public park in the Alphabet City section of the East Village. It is bounded on the north by 10th Street, on the east by Avenue B, on the south by 7th Street, and on the west by Avenue A.[174] Tompkins Square Park contains a baseball field, basketball courts, and two playgrounds.[175] It also contains the city's first dog run, which is a social scene unto itself.[176] The park has been the site of numerous events and riots:

- On January 13, 1874, a riot broke out after the New York City Police Department clashed with a demonstration involving thousands of unemployed civilians.[177]
- On July 25, 1877, during the Great Railroad Strike of 1877, twenty thousand people gathered in the park to hear communist orators speak. New York City police and National Guardsmen eventually charged the crowd with billy clubs, later claiming that the rally was not being held in a peaceful manner. In the wake of this "riot," the city, in conjunction with the War Department, established an official city armory program led by the 7th Regiment.[178]
- On August 6–7, 1988, a riot broke out between police and groups of "drug pushers, homeless people and young people known as 'skinheads'" who had largely taken over the park. The

neighborhood was divided about what, if anything, should be done about it.[179] Manhattan Community Board 3 adopted a curfew for the previously 24-hour park in an attempt to bring it under control.[180] A rally against the curfew resulted in several clashes between protesters and police.[181]

East River Park is 57 acres (23 ha) and runs between the FDR Drive and the East River from Montgomery Street to East 12th Street. It was designed in the 1930s by parks commissioner Robert Moses, who wanted to ensure there was parkland along the Lower East Side shorefront.[182] The park includes football, baseball, and soccer fields; tennis, basketball, and handball courts; a running track; and bike paths, including the East River Greenway.[183]

## Community gardens

There are reportedly over 640 community gardens in New York City—gardens run by local collectives within the neighborhood who are responsible for the gardens' upkeep—and an estimated 10 percent of those are located on the Lower East Side and East Village alone.[184] Development of these community gardens, often on municipally owned land, started in the early 1970s. Although many of these lots were later sold to private developers, others were taken over by the New York City Department of Parks and Recreation, which preserves the gardens under its ownership.

Open Road Park, a former cemetery and bus depot, is a garden and a playground adjacent to East Side Community High School between 11th and 12th Streets east of First Avenue.

The Avenue B and 6th Street Community Garden was known for a now-removed outdoor sculpture, the Tower of Toys, designed by artist and long-time garden groundskeeper Eddie Boros.[186] It was a 65-foot-tall (20 m) makeshift structure made of wooden planks, from which were suspended an amalgamation of fanciful objects.[187] The tower was a neighborhood icon, having appeared in the opening credits for the television show *NYPD Blue* and also appears in the musical *Rent*.[186] It was also controversial: some viewed it as a masterpiece, while others as an eyesore.[186][188] The tower was dismantled in May 2008 because, according to parks commissioner Adrian Benepe, it was rotting and thus a safety hazard. Its removal was seen by some as a symbol of the neighborhood's fading past.

The Toyota Children's Learning Garden at 603 East 11th Street is technically a learning garden rather than a community garden. Designed by landscape architect Michael Van Valkenburgh, the garden opened in May 2008 as part of the New York Restoration Project and is designed to teach children about plants.

La Plaza Cultural de Armando Perez is a community garden, open-air theater, and green space at 9th Street and Avenue C. Founded in 1976, the garden continues to operate as of 2019,[191] despite having being proposed for redevelopment multiple times.

## Marble cemeteries

A production of John Reed's *All the World's a Grave* in the New York Marble Cemetery, which does not contain headstones

On the block bounded by Bowery, Second Avenue, and 2nd and 3rd Streets, is the oldest public cemetery in New York City not affiliated with any religion, the New York Marble Cemetery.[29]:1[193] Established in 1830,[29]:1 it is open the fourth Sunday of every month.[194]

The similarly named New York City Marble Cemetery, located on 2nd Street between First Avenue and Second Avenue, is the second oldest nonsectarian cemetery in New York City. The cemetery opened in 1831.[28]:1 Notable people interred there include U.S. President James Monroe; Stephen Allen, mayor (1821–1824); James Lenox, whose personal library became part of the New York Public Library; Isaac Varian, mayor (1839–1841); Marinus Willet, Revolutionary War hero; and Preserved Fish, a well-known merchant.[195]

## Police and crime

East Village is patrolled by the 9th Precinct of the NYPD, located at 321 East 5th Street.[196] The 9th Precinct ranked 58th safest out of 69 patrol areas for per-capita crime in 2010.[197] As of 2018, with a non-fatal assault rate of 42 per 100,000 people, Community District 3's rate of violent crimes per capita is less than that of the city as a whole. The incarceration rate of 449 per 100,000 people is higher than that of the city as a whole.[159]:8

The 9th Precinct has a lower crime rate than in the 1990s, with crimes across all categories having decreased by 79.5% between 1990 and 2019. The precinct reported 3 murders, 15 rapes, 119 robberies, 171 felony assaults, 122 burglaries, 760 grand larcenies, and 37 grand larcenies auto in 2019.

## Fire safety

East Village is served by four New York City Fire Department (FDNY) fire stations:[199]

- Ladder Co. 3/Battalion 6 – 103 East 13th Street[200]
- Engine Co. 5 – 340 East 14th Street[201]
- Engine Co. 28/Ladder Co. 11 – 222 East 2nd Street[202]
- Engine Co. 33/Ladder Co. 9 – 42 Great Jones Street

## Health

As of 2018, preterm births and births to teenage mothers are less common in East Village and the Lower East Side than in other places citywide. In East Village and the Lower East Side, there were 82 preterm births per 1,000 live births (compared to 87 per 1,000 citywide), and 10.1 teenage births per 1,000 live births (compared to 19.3 per 1,000 citywide).[159]:11 East Village and the Lower East Side have a low population of residents who are uninsured. In 2018, this population of uninsured residents was estimated to be 11%, slightly less than the citywide rate of 12%.

The concentration of fine particulate matter, the deadliest type of air pollutant, in East Village and the Lower East Side is 0.0089 milligrams per cubic metre ($8.9\times10^{-9}$ oz/cu ft), more than the city average.[159]:9 Twenty percent of East Village and Lower East Side residents are smokers, which is more than the city average of 14% of residents being smokers.[159]:13 In East Village and the Lower East Side, 10% of residents are obese, 11% are diabetic, and 22% have high blood pressure—compared to the citywide averages of 24%, 11%, and 28% respectively.[159]:16 In addition, 16% of children are obese, compared to the citywide average of 20%.

Eighty-eight percent of residents eat some fruits and vegetables every day, which is about the same as the city's average of 87%. In 2018, 70% of residents described their health as "good," "very good," or "excellent," less than the city's average of 78%.[159]:13 For every supermarket in East Village and the Lower East Side, there are 18 bodegas.

The nearest major hospitals are Beth Israel Medical Center in Stuyvesant Town, as well as the Bellevue Hospital Center and NYU Langone Medical Center in Kips Bay, and NewYork-Presbyterian Lower Manhattan Hospital in the Civic Center area.

### Post offices and ZIP Codes

USPS Cooper Station post office

East Village is located within two primary ZIP Codes. The area east of First Avenue including Alphabet City is part of 10009, while the area west of First Avenue is part of 10003.[206] The United States Postal Service operates three post offices in East Village:

- Cooper Station – 93 Fourth Avenue[207]
- Peter Stuyvesant Station – 335 East 14th Street
- Tompkins Square Station – 244 East 3rd Street

### Education

East Village and the Lower East Side generally have a higher rate of college-educated residents than the rest of the city as of 2018. A plurality of residents age 25 and older (48%) have a college education or higher, while 24% have less than a high school education and 28% are high school graduates or have some college education. By contrast, 64% of Manhattan residents and 43% of city residents have a college education or higher.[159]:6 The percentage of East Village and the Lower East Side students excelling in math rose from 61% in 2000 to 80% in 2011, and reading achievement increased from 66% to 68% during the same time period.[210]

East Village and the Lower East Side's rate of elementary school student absenteeism is lower than the rest of New York City. In East Village and the Lower East Side, 16% of elementary school students missed twenty or more days per school year, less than the citywide average of 20%.[159]:6[160]:24 (PDF p. 55) Additionally, 77% of high school students in East Village and the Lower East Side graduate on time, more than the citywide average of 75%.

## Schools

The New York City Department of Education operates public schools in East Village as part of Community School District 1.[211] District 1 does not contain any zoned schools, which means that students living in District 1 can apply to any school in the district, including those in the Lower East Side.[212][213]

The following public elementary schools are located in East Village and serve grades PK-5 unless otherwise indicated:[211]

- PS 15 Roberto Clemente[214]
- PS 19 Asher Levy[215]
- PS 34 Franklin D Roosevelt (grades PK-8)[216]
- PS 63 STAR Academy[217]

- PS 64 Robert Simon[218]
- PS 94 (grades K-8)[219]
- PS 188 The Island School (grades PK-8)[220]
- Earth School[221]
- Neighborhood School[222]
- The Children's Workshop School[223]
- The East Village Community School[224]

The following middle and high schools are located in East Village:[211]

- East Side Community High School (grades 6–12)[225]
- Manhattan School for Career Development (grades 9–12)[226]
- Tompkins Square Middle School (grades 6–8)[227]

The Roman Catholic Archdiocese of New York operates Catholic schools in Manhattan. St. Brigid School in East Village closed in 2019.

## Libraries

New York Public Library, Ottendorfer branch

The New York Public Library (NYPL) operates three branches near East Village.

- The Ottendorfer branch is located at 135 Second Avenue. The branch opened in 1884 based on a gift from Oswald Ottendorfer, who owned the *New Yorker Staats-Zeitung*. The Ottendorfer branch, designed in the Queen Anne and Renaissance Revival styles, is a New York City designated landmark.[42]
- The Tompkins Square branch is located at 331 East 10th Street. The library opened in 1887 and moved three times before relocating to its current Carnegie library structure in 1904.[229]
- The Hamilton Fish Park branch is located at 415 East Houston Street. It was originally built as a Carnegie library in 1909, but was torn down when Houston Street was expanded; the current one-story structure was completed in 1960.

## Colleges

### New York University

Along with gentrification, the East Village has seen an increase in the number of buildings owned and maintained by New York University, particularly dormitories for undergraduate students, and this influx has given rise to conflict between the community and the university.

St. Ann's Church, a rusticated stone structure with a Romanesque Revival tower on East 12th Street that dated to 1847, was sold to NYU to make way for a 26-story, 700-bed dormitory. After community protest, the university promised to protect and maintain the church's original facade; and so it did, literally, by having the facade stand alone in front of the building, now the tallest structure in the area.[231] According to many residents, NYU's alteration and demolition of historic buildings, such as the Peter Cooper Post Office, is spoiling the physical and socio-economic landscape that makes this neighborhood so interesting and attractive.[232]

NYU has often been at odds with residents of both the East and West Villages due to its expansive development plans; urban preservationist Jane Jacobs battled the school in the 1960s.[233] "She spoke of how universities and hospitals often had a special kind of hubris reflected in the fact that they often thought it was OK to destroy a neighborhood to suit their needs", said Andrew Berman of the Greenwich Village Society for Historic Preservation

**Cooper Union**

The Cooper Union for the Advancement of Science and Art, founded in 1859 by entrepreneur and philanthropist Peter Cooper and located on Cooper Square,[235] is one of the most selective colleges in the world,[236] and formerly offered tuition-free programs in engineering, art and architecture.[237][238] Its Great Hall is famous as a platform for historic speeches, notably Abraham Lincoln's Cooper Union speech,[239][240] and its New Academic Building is the first in New York City to achieve LEED Platinum Status.

## Transportation

The nearest New York City Subway stations are Second Avenue (F and <F> trains), Astor Place (6 and <6> trains), Eighth Street–New York University (N, R, and W trains), and First Avenue (L train).[242] Bus routes serving the area include the M1, M2, M3, M8, M9, M14A, M14D, M15, M15 SBS, M21, M101, M102 and M103.

## THE SUBJECT AREA TREND (AUGUST, 2021)

The trend in the subject area for mid-sized ( between 8,000 and 18,000 sq.ft.) "C7" class Mixed-Use Walk-up Mixed-Use Buildings in the East Village neighborhood of Manhattan has been **strong and upward throughout 1ST Half 2021, through the effective date of Value, including the marked distribution of approved 1st Short Vaccines (60%+ to the NYC population to date).** ***The factors of this trend*** include:

1.) The strong demand and average supply of mid-sized mixed-use walk-up buildings;

2.) The strong upward trend of the local New York City economy during 2nd and 3rd Quarters 2021;

3.) Access to low interest (2 to 3% ) residential financing.

4.) The falling price of crude oil of approximately $55 to $65 per barrel in July and August to date;

Additional ***aspects of the NYC and national market in August, 2021 include:***

A.) The gathering strength in local employment, with national, NY State and local NYC unemployment levels ranging from 5.8 % (US) to 7% (NY State) to 12% (NYC). Projected national unemployment rates are projected to range between 6% and 7% through 2nd half 2021.

B.) The increase in consumer confidence due to the distribution of 3 Covid-19 Vaccines throughout New York City and the Tri-State Metropolitan area. (60%+ distribution of 1st shot to adults in NYC to date)

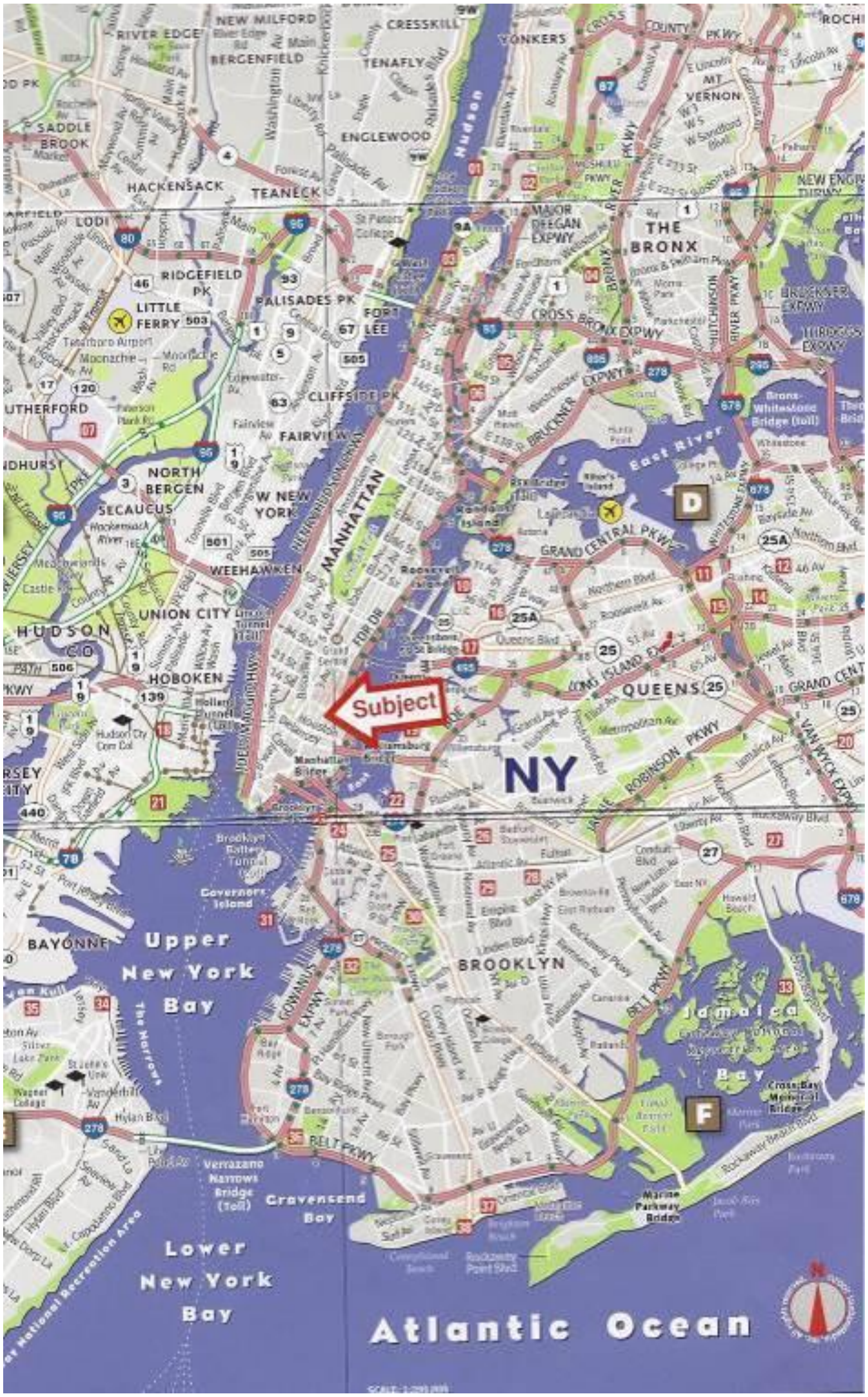
C.) The uncertainty of foreclosure and bankruptcy Moratoriums in NY State through 1st half 2021, presently due to expire August 30, 2021 (NY State) and extended recently by the CDC through October 3, 2021.

***This current strong upward trend is expected to continue through the remainder of calendar year 2021.***

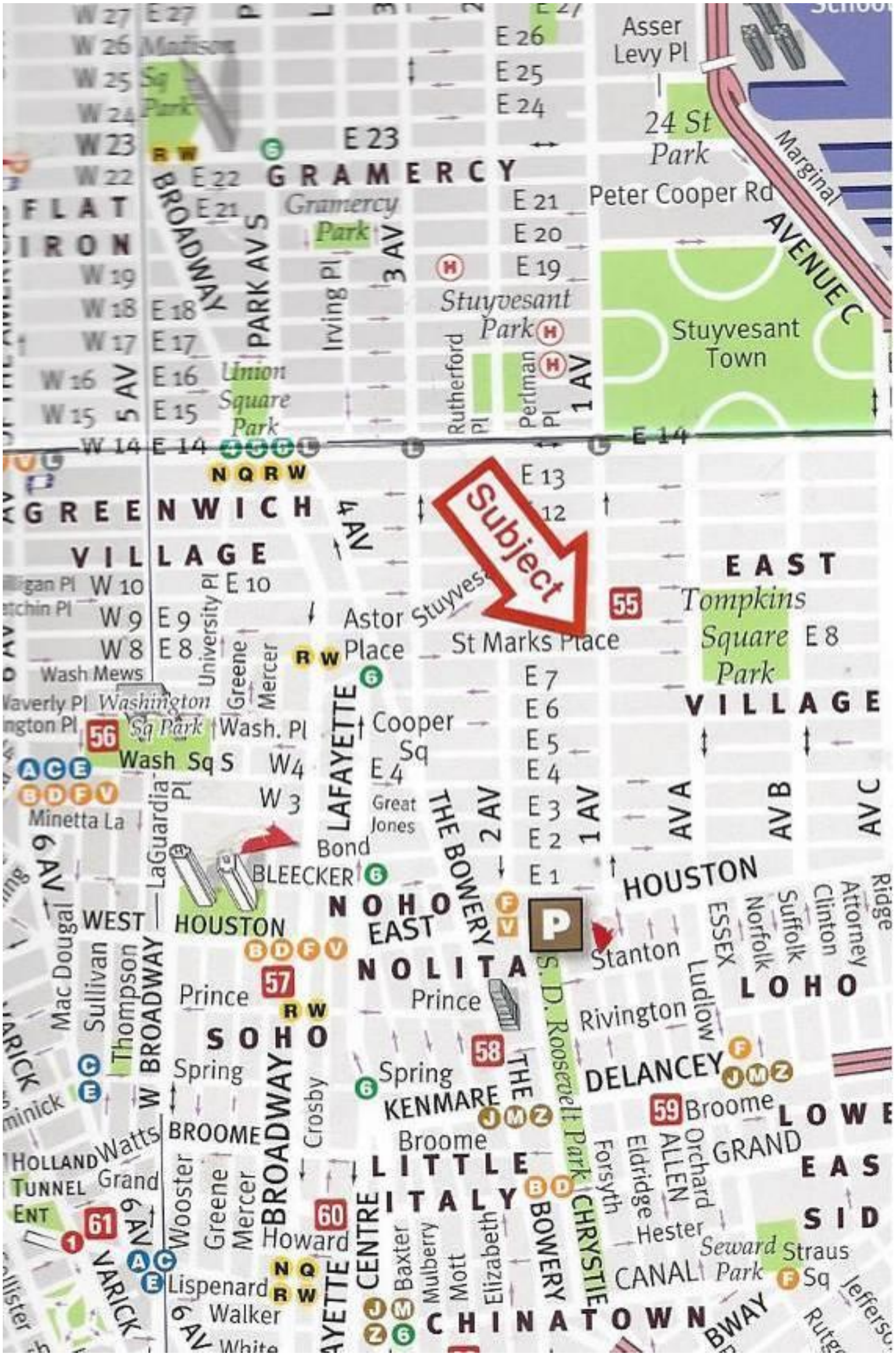
***(See ADDENDUM for: 1.) the 2014 CURBED SEPTEMBER article on the SUBJECT ST. MARKS PLACE East Village neighborhood . . . and 2.) and 3.) the 2020 and 2014 NY TIMES ARTICLES ON THE SUBJECT EAST VILLAGE NEIGHBORHOOD.***

In addition, **see the local JULY AND AUGUST, 2021 articles in the Addendum to this report, WITH CLIENT'S RESPONSE TO THE CURRENT MARCH 8TH, 2021 NY POST ARTICLE ON THE SUBJECT IMMEDIATE ST. MARKS AND EAST VILLAGE NEIGHBORHOOD.**

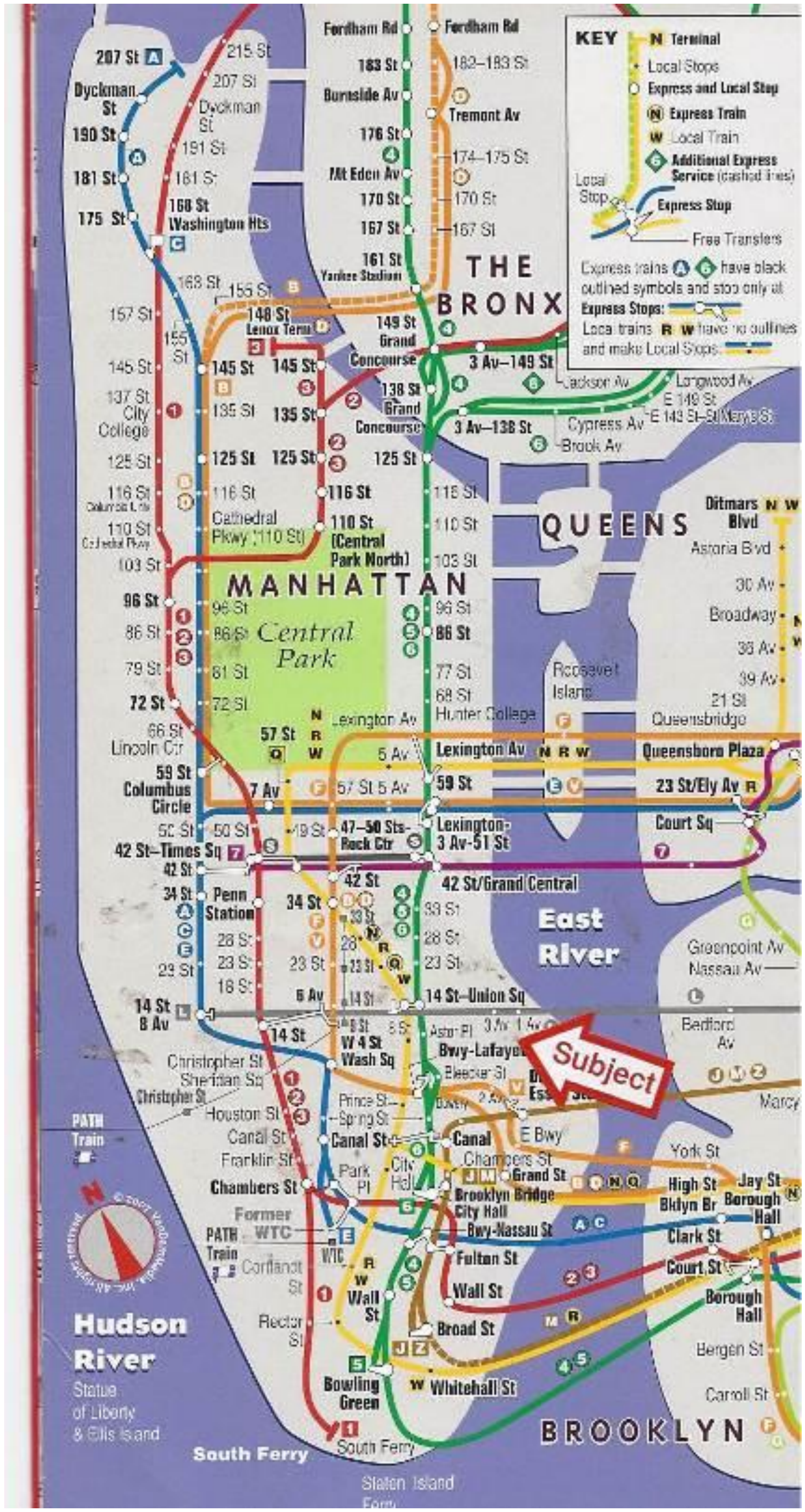
## REGIONAL MAP OF THE NEW YORK AREA



**MAP OF THE SURROUNDING SUBJECT AREA**



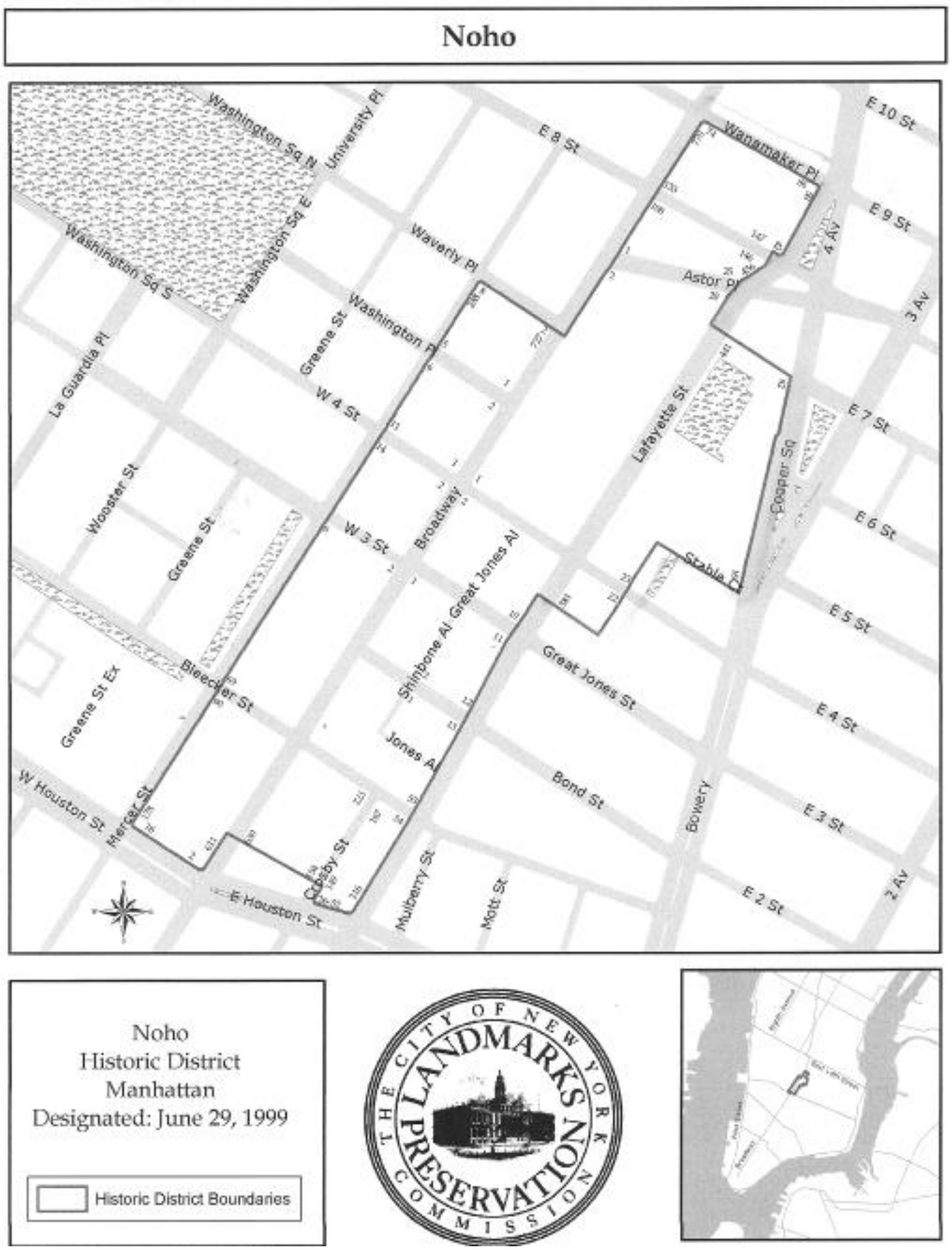
**PUBLIC TRANSPORTATION MAP (Subway)**



**MAP OF THE NOHO HISTORIC DISTRICT – 2 BLOCKS WEST OF THE SUBJECT**

**(note: THE SUBJECT IS NOT LOCATED IN AN HISTORIC DISTRICT)**

**NOTE: THE SUBJECT IS NOT LANDMARKED**



## SITE PLAN


CHANGES
BOOKS
GUIDE
Subject
1101 - 1103
1301 - 1
1001 - 1022
1101 - 1102
1 AV
E 7 ST
Copyright 2013 The City of New York

**OUTDOOR SEATING NOTIFICATION – JUNE, 2020 – NYC DEPT. OF TRANSPORTATION –**

**SUBJECT RESTAURANT: "SCHEIB'S"**

**---------- Forwarded message ---------**
**From: NYCDOT NOTICE <nycdotnotice@dot.nyc.gov>**
**Date: Fri, Jun 19, 2020 at 1:56 PM**
**Subject: Open Restaurant Form Confirmation**
**To: Scheibsplace@gmail.com <Scheibsplace@gmail.com>**

**Congratulations! As part of the City's Open Restaurants program, Scheib's Place Inc. , is authorized to add outdoor seating to the City's sidewalk and/or roadway in front of its restaurant in accordance with all applicable terms and conditions and health guidance.**

**Business name: Scheib's Place Inc.**
**Business phone: 6462178815**
**Establishment Address: 78-80 St. Marks Place , Manhattan, NY**

**Approved for:**

**Sidewalk Seating: yes**
**Roadway Seating: yes**
**Alcohol Service: yes**
**For questions about the program, requirements and resources please visit the NYCDOT Open Restaurant Program Website**

**Thank you,**

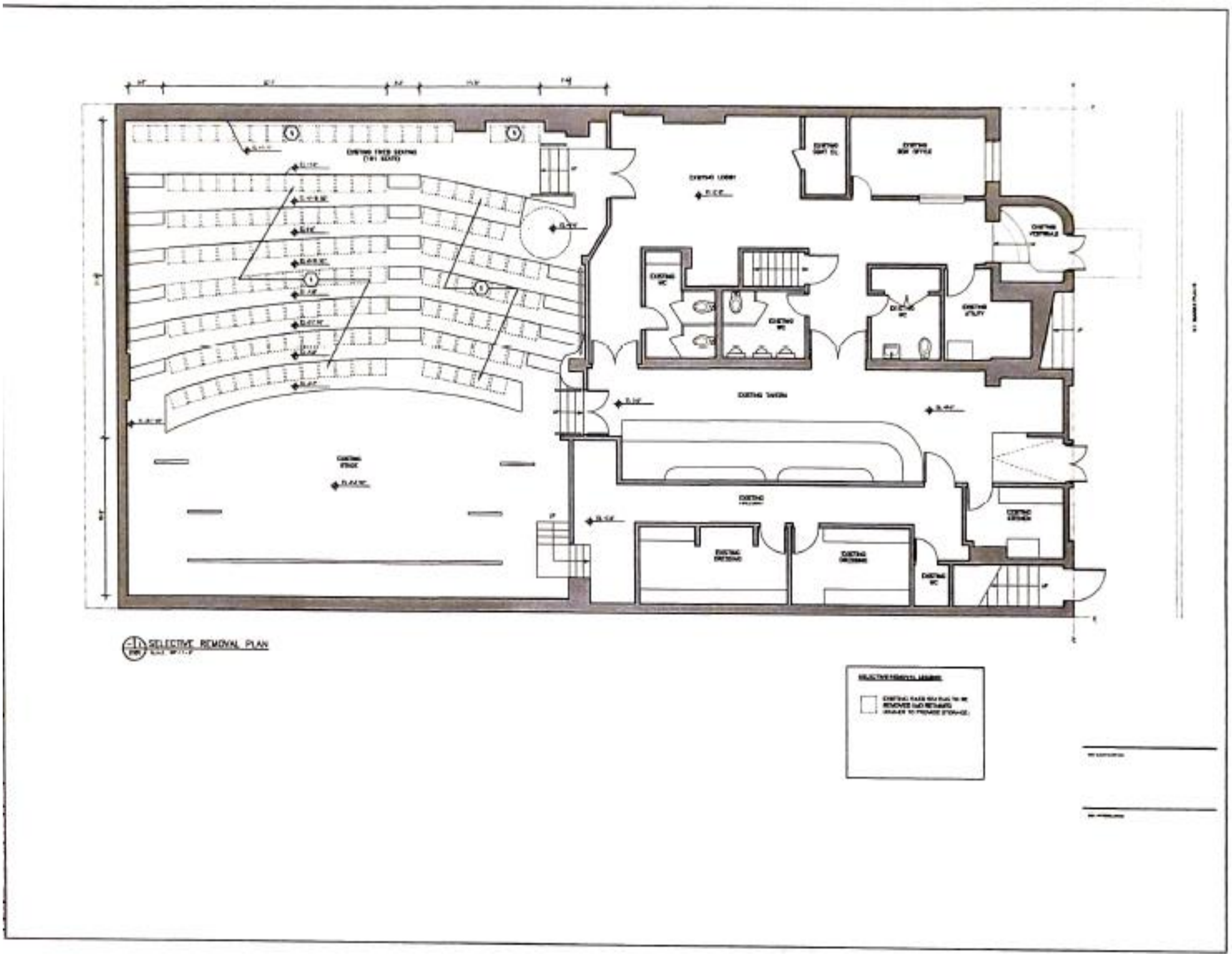
**NYC Department of Transportation**

2020 **FLOOR PLAN OF THE SUBJECT "GROUND FLOOR/BASEMENT" THEATRE (at left) AND RESTAURANT (at right) LEVEL – OFF THE SIDEWALK – ST. MARKS PLACE AT RIGHT – NOTE 3 ENTRANCES – TOP TO BOTTOM – 78 St. Marks Place Entrance at Top – Theatre/Restaurant Entrance in Middle – 80 St. Marks Place entrance at Bottom**

***(NOTE: THERE IS ADDITIONAL OUTDOOR 49-SEAT seating on the Street- on ST. MARKS PLACE – CERTIFIED BY THE NYC DOT for outside DINING . . .***

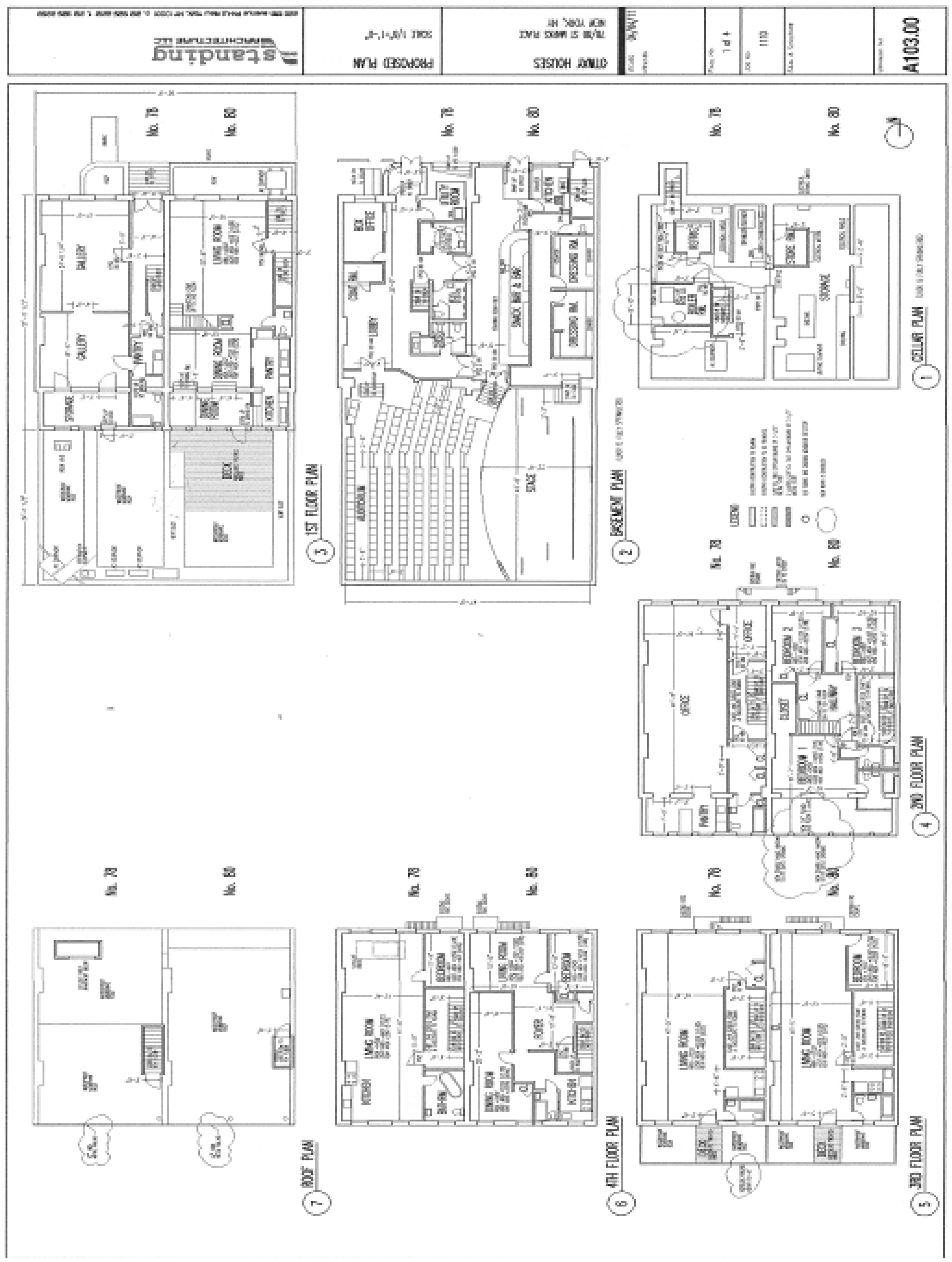
**SEE PHOTOS OF THIS OUTDOOR DINING AREA earlier in the Photographs of the Subject Property section of this appraisal report.**

**NOTE: "CABARET-THEATRE STYLE" 74-Seat Theatre as of June, 2021**

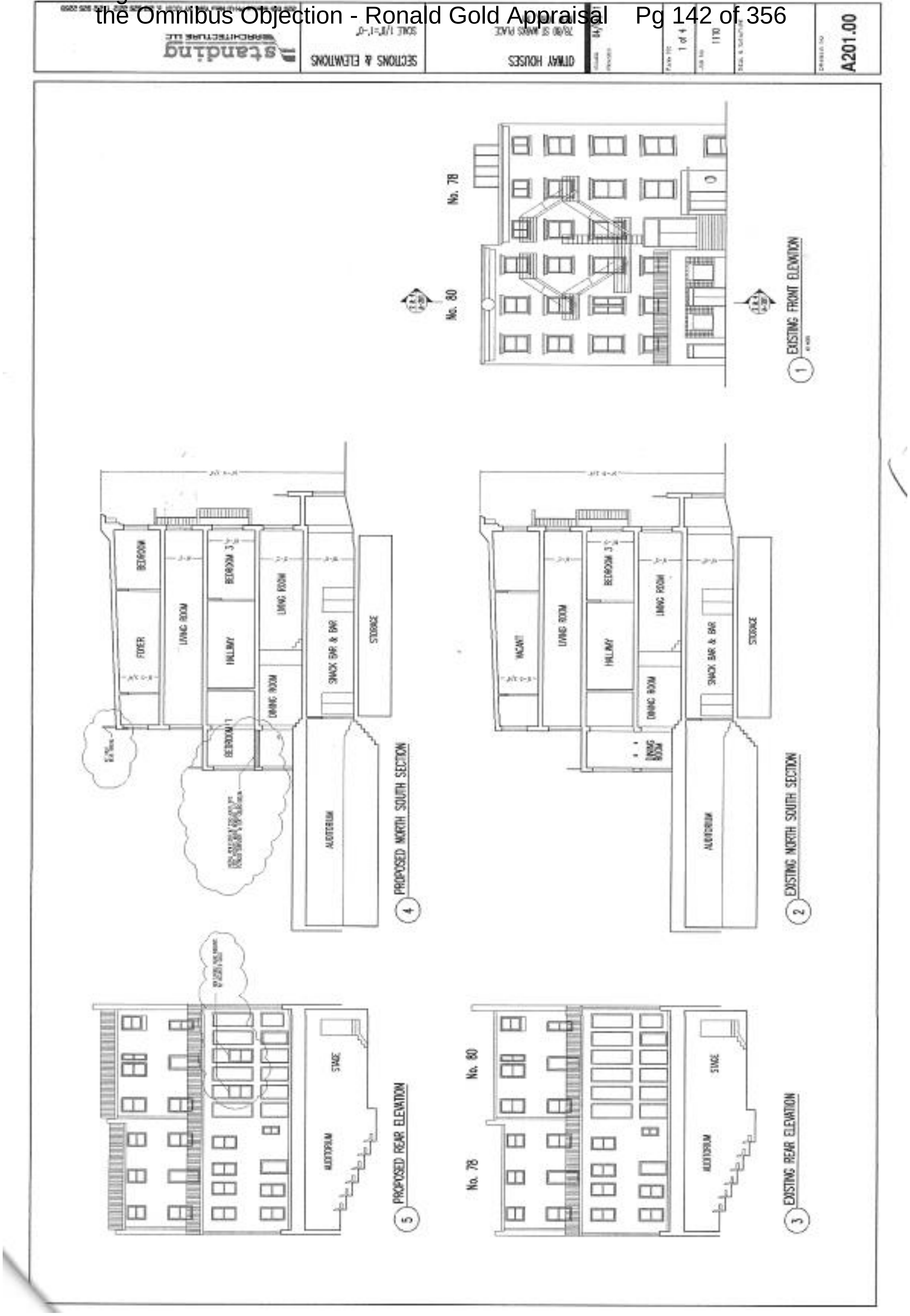


**FLOOR PLANS AND ELEVATIONS (APRIL, 2011) (4 pages)**
**by ALISTAIR STANDING, NYS REGISTERED ARCHITECT**

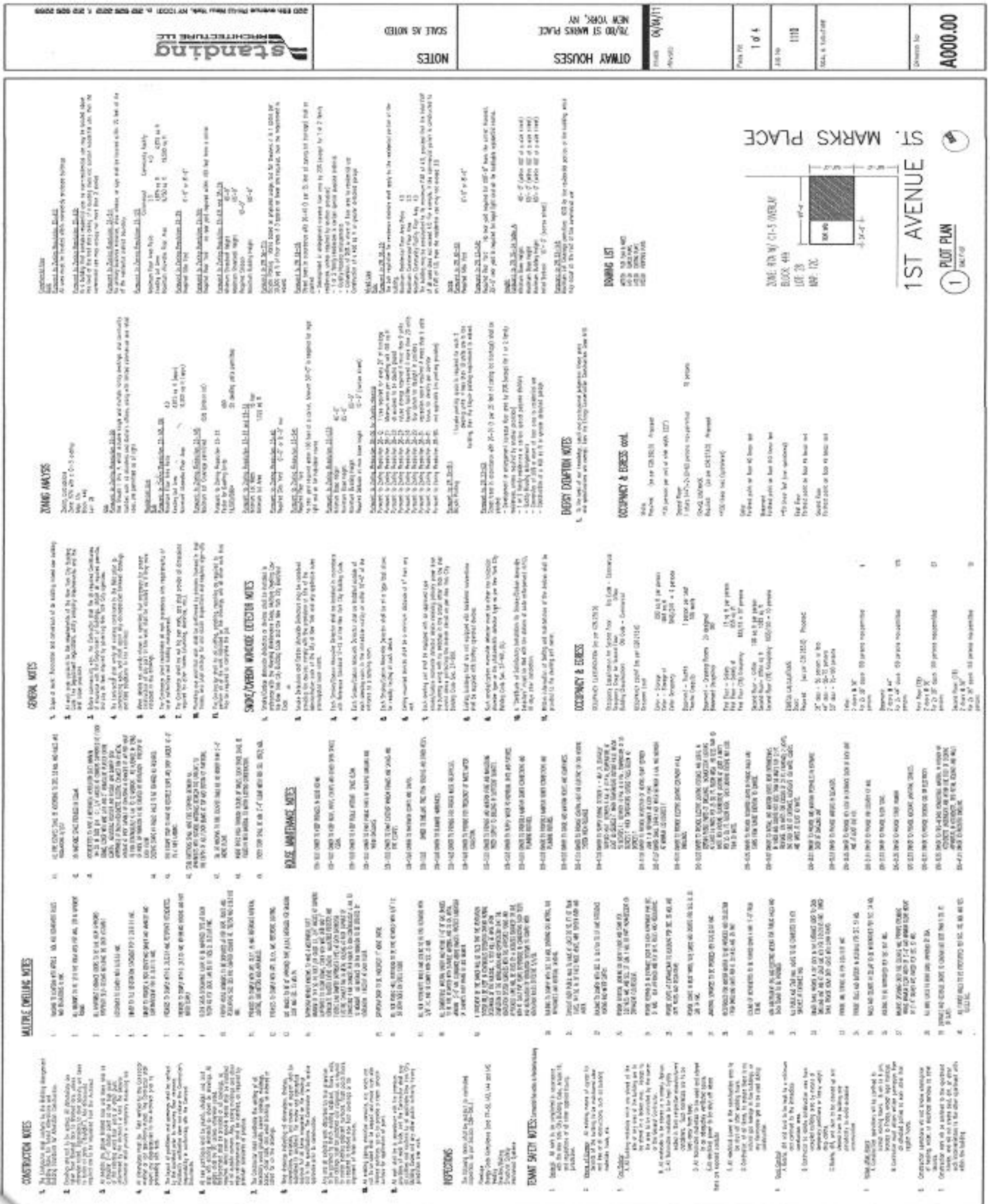
PAGE 1 – PROPOSED PLAN



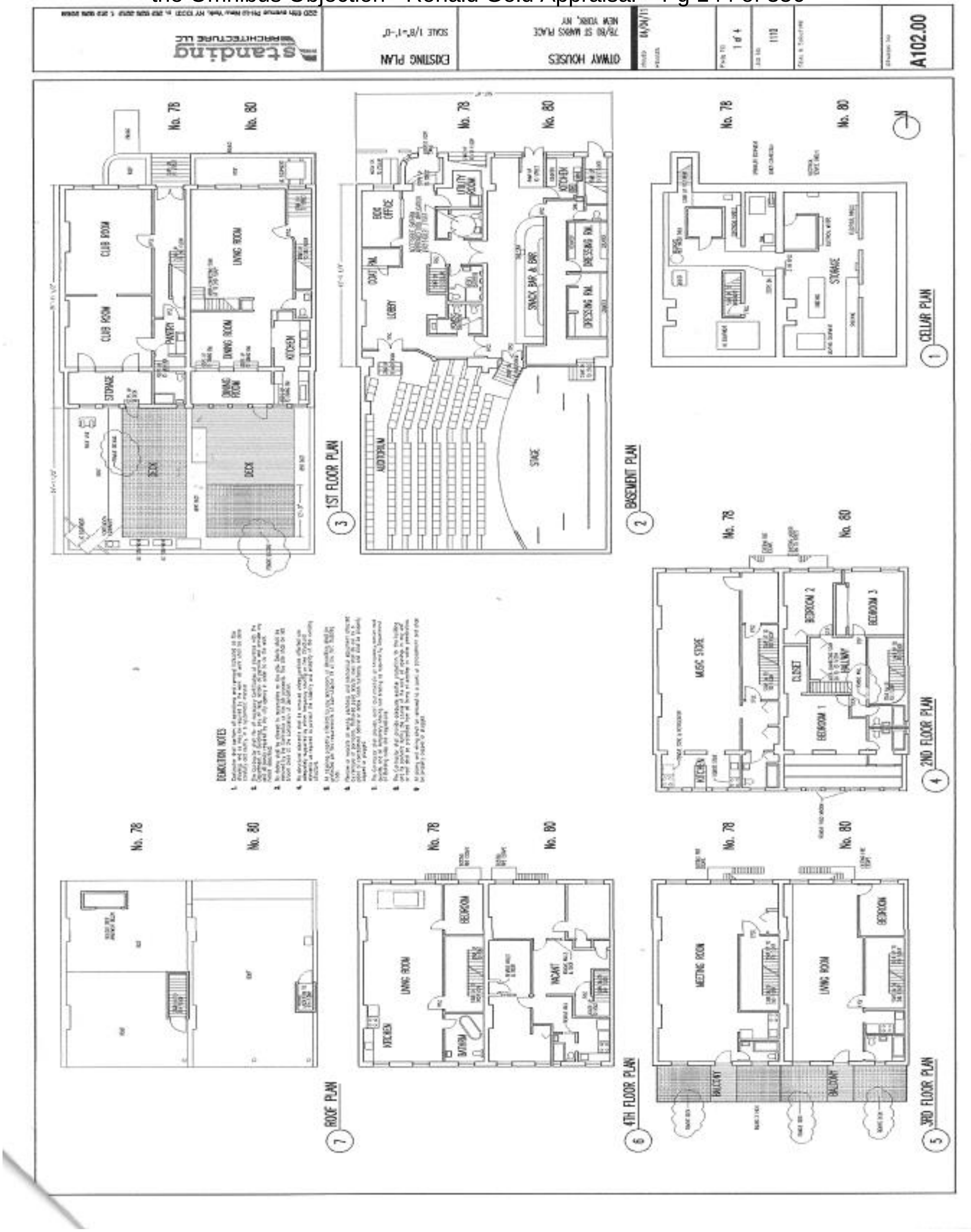
PAGE 2 – SECTIONS AND ELEVATIONS


standing
SECTIONS & ELEVATIONS
OTWAY HOUSES
A201.00
No. 78
No. 80
1 EXISTING FRONT ELEVATION
2 EXISTING NORTH SOUTH SECTION
3 EXISTING REAR ELEVATION
4 PROPOSED NORTH SOUTH SECTION
5 PROPOSED REAR ELEVATION
BEDROOM
FOYER
LIVING ROOM
HALLWAY
DINING ROOM
SNACK BAR & BAR
STORAGE
AUDITORIUM
STAGE
VACANT

PAGE 3 – NOTES


standing ARCHITECTURE LLC
NOTES
SCALE AS NOTED
OTWAY HOUSES
78/80 ST MARKS PLACE
NEW YORK, NY
06/04/11
1 of 4
1110
A000.00
ST. MARKS PLACE
1ST AVENUE
1 PLOT PLAN

PAGE 4 – EXISTING PLAN



## DIMENSIONS OF SITE AND IMPROVEMENTS

| | | | |
|---|---|---|---|
| **Plot Size:** | | 50' X 97.5' = | 4,875 square feet (NYC public records) |
| **Building Area Above Grade:** | Ground Floor | 50' X 97.5': | 4,875 sq.ft. |
| | $2^{nd}$ – $5^{th}$ Floors | 50' X 50' X 4 + | 10,000 sq.ft. |
| | AREA ABOVE GRADE: | | **14,400 square feet (NYC public records)** |
| **Cellar Area:** | | 50' X 50' = | 2,500 square feet below grade |

## DESCRIPTION OF THE IMPROVEMENTS

The subject property consists of two adjacent/contiguous walk-up 4-story + Basement + Cellar mixed-use buildings which are connected at the GROUND FLOOR AND CELLAR levels. **The subject is in Average to Above Average condition throughout as of the date of inspection.** According to the Client, the two subject attached "C7" class buildings (NYC public records) and were reportedly erected circa 1830-50. The buildings have painted brick facades, brick rear and side walls and interior wood framing. There is observed evidence of peeling paint and deteriorating mortar along the front and rear walls of both buildings. The CELLAR and the BASEMENT levels are fully sprinkled. The remainder of the subject buildings are not sprinkled. There are fire escapes at the front of each building (fronting north). *NOTE: The Appraiser was not able to gain access to the 4th (TOP) floor of the 80 St. Marks Place building at the date of inspection. It is reported that this floor contains a separate floor-through apartment.)* In addition to the owner-managed GROUND FLOOR LEVEL commercial bar and theatre there are two additional commercial areas. At 78 St. Marks Place there is an owner-managed and occupied "Museum of the American Gangster" on the FIRST FLOOR (one level up from Street Level) and there is a SECOND FLOOR owner-managed floor-through commercial office area (*open plan Meeting Room*) with Bath and Conference room. The remaining areas are laid out and utilized as residential apartments.

***APPRAISER'S NOTE:*** The subject property is in Average to Above Average condition as of the date of inspection. The appraiser inspected the subject on August 1, 2021. The client has completed MAJOR REPAIRS to the subject building in 2019 and 2020 AND 2021 . . .including client reported Roofing, HVAC Electrical, Water and Sewer. These repair estimates can be found in the Addendum to this appraisal report.

**CLIENT REPORTED SUBJECT BUILDING REOMEDLING AND REPAIRS: 2020**

**78-80 St. Marks Place LLC**
**80 St. Marks Place**
**New York, NY 10003**
**646-217-8816**

78-80 St. Marks Place LLC Recent Larger Remodeling and Repairs

| | |
|---|---|
| Remodel Shower | 2050 |
| Change old fuse box to Circuit Breakers | 2000 |
| Deck in front balcony | 3200 |
| Removed old decking in back and front | 2000 |
| Upgraded HVAC | 32,700 |
| Awnings for front and back | 32,000 |
| Window for box office onto the street | 2,950 |
| New kitchens/ prep rooms in tavern | 40,000 |
| Upgrade electricity behind bar | 1200 |
| New ignition for boiler | 1,200 |
| Outdoor dining | 26, 500 |
| New windows in one apartment | 1500 |
| Theater Remodel theater | 81,000 |
| Replace several windows in ground floor, hallway | 3, 266 |

March 5, 2021

Lawrence Lorcan Otway

**OUTDOOR SEATING NOTIFICATION – JUNE, 2020 – NYC DEPT. OF TRANSPORTATION –**

**SUBJECT RESTAURANT: "SCHEIB'S"**

**---------- Forwarded message ---------**
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**To: Scheibsplace@gmail.com <Scheibsplace@gmail.com>**

**Congratulations! As part of the City's Open Restaurants program, Scheib's Place Inc. , is authorized to add outdoor seating to the City's sidewalk and/or roadway in front of its restaurant in accordance with all applicable terms and conditions and health guidance.**

**Business name: Scheib's Place Inc.**
**Business phone: 6462178815**
**Establishment Address: 78-80 St. Marks Place , Manhattan, NY**

**Approved for:**

**Sidewalk Seating: yes**
**Roadway Seating: yes**
**Alcohol Service: yes**
**For questions about the program, requirements and resources please visit the NYCDOT Open Restaurant Program Website**

**Thank you,**

**NYC Department of Transportation**

There are two lines of galvanized metal **fire escapes** along the St. Marks Place façade. One for each building. The façade is painted brick. **Windows** along St. Marks Place are approximately 50% wood and glass single-glazed double-hung and 50% metal and glass double-glaze double-hung construction. 50% of the Rear windows are of 50% fixed stationary construction and wood single-glazed double hung construction and 50% metal and glass double-glazed double-hung construction. The owner's TRIPLEX (at 80 St. Marks Place – 2nd, 3rd and 4th Floors) has a renovated (2020) front Terrace and Dining Room and rear Living Room, Half Bath, Laundry Closet, Kitchen and 2-Story Solarium on the lower level and 3 Bedrooms and 2 Baths on the upper level. The Front FIRST FLOOR TERRACE/BALCONY has been remodeled (2020). There is a large **rear yard** at the 2nd floor with a rudimentary PAVILLION for private parties. This is actually the roof of the extension (built full on the lot) of the GROUND FLOOR level rear Cabaret Style Theatre. There are also 2 A/C Compressors at the rear of the yard that cool the Theatre. (*There is an additional compressor and air exchange unit at the rear of the back yard.)* There is central-fired **steam heating** throughout both buildings with cast iron radiators, supplied via a **10-year old UPGRADED gas-fired boiler** located in the CELLAR. There is an adjacent 10-year old **100-gallon gas-fired hot water heater** in the CELLAR which supplies hot water to both buildings.

There is a "built-out" red brick and glass block area at the GROUND FLOOR FRONT (*front of 80 St. Marks Place)* which was reportedly added in the 1950's. 78 St. Marks Place has a stoop leading to the 2ND through 5th floors, via a double-locked residential entrance with vestibule and common area stairway with marble and rubberized treads, extending from the 2nd floor to the roof. There is also a line of wood stairs leading from the ground floor to the 5th Floor at 80 St. Marks Place, with an engineer's ladder leading to the roof. NOTE: THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS AT THE DATE OF INSPECTION.

**ROOFS:** Slightly pitched built-up roofs sloping downward from north to south. Asphalt and felt composition cap roll sheeting. Rear leaders and gutters. There are 3 skylights on the roof at 78 St. Marks Place. **According to the client, the roofs of both buildings were reportedly REPLACED during calendar year 2018. THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS at the Date of Inspection.**

**CELLAR:** Entirely below grade. Both Cellar levels for both buildings are combined and attached. This level has a concrete slab foundation, numerous supporting lally columns, old-fashioned 19th century wood beams, and a 10- year old UPGRADED gas-fired boiler and separate 10-year old 100-gallon gas-fired hot water heater, which provide heat and hot water for both buildings. There are cast iron radiators with steam heating through the subject property. There is 2020 UPGRADED (new boxes) electric service with circuit breakers (approximately 1,000+amp service). The GROUND FLOOR level commercial spaces and the upper floor apartments and commercial spaces are separately metered. There is a CELLAR compressor and one air handler for the 160-seat ground floor rear Theatre. Additional compressor for the ground floor Theatre within the bar area (ceiling-mounted) and seven (reportedly newly installed in 2020) compressors for A/C at the rear of the back yard (roof of the Theatre). The CELLAR is built approx. 50' X 50' and connects via 2 rudimentary stairways to the GROUND FLOOR LEVEL.

**GROUND FLOOR (1ST FLOOR)** is built full on the subject lot. This floor is approx. 4 steps below grade from the sidewalk. Both buildings are attached and combined at the GROUND FLOOR AND CELLAR levels. The GROUND FLOOR consists of a front office/box office, several reception areas, a commercial bar area, 3 rest rooms and a rear raked 74-seat Cabaret Style Theatre with stage and theatrical lighting. There are rear Dressing Rooms and a theatrical mechanical room (light booth, etc.) adjacent to the stage. Ceiling heights average 10' to 16' in the theatre.

# Subject building LAYOUT
# (COURTESY, Lee & Associates – May, 2021)

| | 78 St Marks | 80 St Marks |
|---|---|---|
| Fifth Floor | **Residential Unit #4**<br>1,075 SF<br>Currently occupied through July 2021 | **Storage Space**<br>Currently Vacant<br>1,075 SF |
| Fourth Floor | **Residential Unit #3**<br>1,075 SF<br>Currently occupied through August 2022 | **Residential Unit #2**<br>1,075 SF<br>Currently Vacant |
| Third Floor | **Office Space**<br>Currently vacant - office/meeting space<br>1,275 SF | **Duplex**<br>Owner-occupied<br>2,550 SF |
| Second Floor | **Museum of the American Gangster**<br>Owner-operated museum<br>1,275 SF | |
| Ground Floor | William Barnacle Tavern, Theatre 80 St. Marks, FoxFace Sandwiches<br>4,875 total square feet across the full-lot ground floor<br>The 160-seat theater includes above and below-grade space and slopes down into the basement level | |

**HVAC (Heating, Ventilation and Air/Conditioning): RMG: MAJOR 2019 AND 2020 HVAC REPAIRS FOR THE THEATRE AND BAR . . . AND THE TWO NEW KITCHENS . . . THE ENTIRE Basement "GROUND FLOOR. "** There is a central-fired heating system with a reportedly 10-year old gas-fired UPGRADED boiler and hot water heater located in the CELLAR. Steam heating via cast iron radiators throughout the subject building. Central-fired A/C in the ground floor theatre supplied by 7 compressors (one in the CELLAR, one on the GROUND FLOOR bar area and the third in the southwest corner of the REAR 2ND FLOOR back yard.). The 80 St. Marks Place owner's TRIPLEX has a central-fired A/C with compressors located in the Back Yard.

**BATHS:** There is typically one Bath per floor per building, with the exception of the GROUND FLOOR AND CELLAR LEVELS. (*No Bath in CELLAR. 3 Rest Rooms on GROUND FLOOR level*). Each FIRST through FOURTH FLOOR Bath typically consists of a 3-fixtured windowed facility, with vitreous china tank toilet, metal/enamel shower/tub combination, vitreous china pedestal type basin and mirrored medicine chest. Baths have ceramic tile flooring and wainscoting. The appraiser was able to inspect approx. 50% of all Baths. Approximately 25% of the Baths are 1930's vintage facilities in average condition. There are a few upgraded (vintage 1970's and 1980's vintage) Baths as well. The GROUND FLOOR LEVEL (STREET LEVEL) has 3 Baths, 2 of which the appraiser inspected. One Bath is an upgraded 2-fixtured Ladies' room. Another is a dilapidated Men's room with 3 urinals, 1 tank toilet and a wall-mounted vitreous china basin. Approx. half of the Baths have overhead interior roof-mounted ventilating fans.

**KITCHENS :** There is typically 1 Kitchen per floor in each building on the 2ND TO 5TH floors. Kitchens typically windowed and have stainless steel sinks, apt. sized electric-fired ranges with ovens and full-sized refrigerators. Oak strip or pine flooring. There are overhead interior roof-mounted ventilating fans. 2 New (2020) commercial Kitchens on the GROUND FLOOR LEVEL.

## DEFINITION OF HIGHEST AND BEST USE

"That reasonable and probable use that will support the highest present value as of the effective date of the appraisal.

Alternatively, that use from among reasonable probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value. This definition immediately above applies specifically to the highest and best use of land.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best uses may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use."

*(Society of Real Estate Appraisers, Real Estate Appraisal Terminology, Compiled and edited by Byrl N. Boyce PH.D SRPA, Revised Edition, copyright 1984, Pages 160-13. Published by Ballinger Publishing Company.)*

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the appraiser's judgment and analytical skill, i.e., that the use determined from analysis *represents an opinion, not a fact to be found.* In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be most probable use. In the context of investment value, an alternative term would be most probable use.

**78-80 St. Marks Place**

**The appraiser has considered** the legal, possible, probable and feasible uses of the subject site, including 1.) the lack of long-term residential or commercial "arm's length" leases in either subject building; 2.) the present Owner-occupied Bar and Theatre on the GROUND FLOOR LEVEL; 3.) the Owner-leased Commercial Spaces on the 2$^{ND}$ AND 3$^{RD}$ FLOORS of 78 St. Marks Place ; 4.) and the present R7A (within a C1-5 commercial overlay) zoning in effect.

The appraiser is of the opinion that **the highest and best use of the subject property is as its present use**, that of a Mixed-Use Walk-up 5-Story + CELLAR building with 2 owner-occupied commercial tenancies on the GROUND FLOOR LEVEL, several residential apartments, an owner-occupied Museum on the First Floor of 78 St. Marks Place and an owner-managed open plan Commercial Meeting Space (Owner-Leased) on the 3$^{RD}$ Floor of 78 St. Marks Place.

## THE APPRAISAL PROCESS

The generally accepted method of obtaining the Market Value of a parcel of property is by the use of the three approaches to value. These approaches include the cost approach, the income capitalization approach and the sales comparison approach to value. The value indicated by each approach is carefully considered and employed in attaining the estate of value for the subject property.

## THE COST APPROACH CONSIDERED

In the cost approach an estimated reproduction or replacement cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences, over the years. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the cost approach. In this case the cost approach was considered.

Due to the subject's above average location on St. Mark's Place in the East Village, there is no **economic (locational) obsolescence noted**. St. Mark's Place is the major commercial retail thoroughfare of the East Village during 2021.

However, the appraiser is of the opinion that the cost approach is not a reliable indicator of value in this case **due to the age** of the subject building (150+ years old), the **functional obsolescence** due to the inferior curable and incurable mid-19th century design and plan of the subject building (***e.g., lack of elevator, limited 5-story height, small apartment layouts, lack of ductwork and central-fired A/C floors 2 through 5, etc.)*** as well as the difficulty in projecting physical deterioration and total accrued depreciation.

Therefore, the cost approach was considered but not utilized.

## CAPITALIZATION OF INCOME APPROACH CONSIDERED

This approach considers the subject improvements as two attached and partially combined Walk-up "C7" class Mixed-Use buildings on one block and lot. There is an owner-managed GROUND FLOOR commercial bar and theatre. There are several residential apartments above the 1st Floor Level (Ground Floor) level in 78 and 80 St. Marks Place. In addition there are 2 owner-managed commercial spaces on the 2ND AND 3RD floors of 78 St. Marks Place.

The client reports that it is operating the Theatre and the Restaurant on the Ground (1st Floor) of the subject building, and that the Client (Managing Member of the 78-80 St. Marks Place LLC) resides in a Triplex Apartment in 80 St. Marks Place.

The client has supplied a BUSINESS PLAN for the Theatre and Pro Formas for the 2021-2022 (September through September) on the operations of the RESTAURANT, MUSEUM, THEATRE and the entire SUBJECT BUILDING. (***SEE THE FOLLOWING PAGES OF THIS REPORT.)***

Therefore, the Capitalization of Income Approach has been considered and utilized.

## CAPITALIZATION OF INCOME APPROACH

This approach considers the subject improvements as a 5-Story + CELLAR (ground floor level off the subject sidewalk) "C5" Class Townhouse Walk-up Apartment Building with GROUND FLOOR REAR THEATRE, FRONT RESTAURANT and upper level apartments and meeting spaces. On Floors 2 through 5, there are 2 floor-through residential apartments in 78 St. Marks Place (leased and occupied). On Floors 2 through 5 in 80 St. Marks Place, is a Triplex (occupied by the Owner) apartment and a top floor Floor-through Vacant residential unit. **There are no rent regulated NY State DHCR apartment units**. There are client supplied 2021-2022 (September to September) PRO FORMAS for the operation of the Restaurant, Theatre, Museum and the Subject Building, supplied to the appraiser on August 1, 2021. These Pro Formas can be found on the following pages of this report.

The appraiser has capitalized the NOI (Net Operating Income) in to value, utilizing a reasonable and prudent 5% capitalization rate, based on a variety of data, including: 1.) the above average location of the subject; 2.) the 2 exiting vacancies and the 1 owner-occupied 80 St. Marks Place Triplex unit 3.) the lack of an elevator; 4.) the average to above average partially renovated/upgraded (new electric service with circuit breaker boxes in Cellar and new HVAC for the ground floor, new façade work, new Terrace/Balcony work, and new outdoor NYC DOT approved 49-seat tables for "outdoor dining" etc.) condition of the subject building; 4.) and the strengthening rental market for residential East Village apartments in the Spring of 2021.

On the following pages of this report are A CLIENT SUPPLIED SUMMARY REPORT on "NAMING RIGHTS" for the subject building, which are projected to yield an additional approximate $300,000 to $600,000 in ADDITIONAL ANNUAL INCOME (The appraiser has projected an annual $300,000 Naming Rights Income for 2021-2022.)

**CLIENT SUPPLIED "NAMING ("Branding") RIGHTS" SUMMARY PROPOSAL FOR THE SUBJECT PROPERTY FOR PROJECTED 2021 – BETWEEN $300,000 AND $600,000 ANNUALLY . . .**

**AS PRESENTED TO THE CLIENT IN AUGUST, 2020**

-----Original Message-----
From: Eugenie Gilmore <eugeniegilmore@aol.com>
To: rongold70@gmail.com <rongold70@gmail.com>
Sent: Fri, Mar 5, 2021 7:12 pm
Subject: Fwd: Naming Rights Methodology

Sports & Properties, Inc. Naming Rights Valuation Methodology
Historic 80 St. Marks

Sports & Properties, Inc. (SPI) is a sports & entertainment marketing and development company located in Cary, North Carolina. SPI is in its 19th year of operations. SPI has extensive naming rights sponsorship valuation and sales experience across the U.S., from San Francisco to St. Petersburg, Florida, in Atlanta and New York, as well as a number of projects in North Carolina.

Corporate naming rights sponsorships were first used in the U.S. in the state of New York, beginning in 1972 when the owners of the Buffalo Bills sold the naming rights to their NFL Stadium, Rich Stadium, for $75,000 per year.

Professional level sports teams and venues were the first to fully take advantage of naming rights as a major new revenue stream and such title sponsorships have now fully penetrated all level of sports and facilities, including colleges, high schools, and even grassroots community sports complexes. While naming rights were spreading vertically through the sports industry, they have also spread horizontally to other destination venues such as performing arts centers, theaters, amphitheaters, convention centers, and even attractions such as fairgrounds and destination piers.

Through the more than four and a half decades since the first naming rights, these sponsorships have grown tremendously in value, with the highest values still at the professional sports level, such as the $10 million per year arena naming rights at Barclays Center, $18 million per year football stadium naming rights at MetLife Stadium, and $20 million per year baseball stadium naming rights at Citi Field.

SPI uses a process to assess naming rights values that utilizes several methodologies and then combines those to determine a reasonable range for naming rights and a suggested sponsorship target, framed both in terms of the projected amount of the annual investment as well as the expected length of term.

Those methodologies are:

1) a Comparables Analysis, that takes into account comparable venues and their naming rights as well as other naming rights that might be considered applicable within the geographic market,

2) an Impressions Analysis, which is similar to gauging advertising value, where we measure the number, quality, and values of impressions that are projected to be generated by the naming rights sponsorship,

3) a Demographic Analysis of the market to ensure that the values we are projecting are reasonable for the economics of that market, an

d 4) a Future Value Analysis, where we illustrate how, through various additions or changes, the estimated value of the naming rights sponsorship could be increased. **Using these methodologies, we determined the potential range for naming rights of Historic 80 St. Marks, with its five distinct attractions, could be between $300,000 and $600,000 per year for a term of between 3 and 7 years. These ranges indicate that the midpoint, or $450,000 for a term of 5 years, is a reasonable target for Historic 80 St. Marks naming rights,** and our overall analysis of the value of such sponsorships at the property confirms there is sufficient value to justify that price point.

Sports & Properties, Inc.

Hill Carrow, CEO
August 10, 2020
Sportsproperties.com

**OWNER/CLIENT'S REPORT PROJECTED 2021-2022 INCOME:**

The appraiser has accepted owner/management's income and operating statements for projected calendar year 2021. The appraiser has estimated **an annual 5% Vacancy and Collections to project an EFFECTIVE GROSS INCOME, due to the OWNER CONTROLLED THEATRE AND RESTAURANT (Ground Floor and Cellar Levels) . . . with the pandemic ending and the lifting of the NY STATE LOCKDOWNS for RESTAURANT AND THEATRE USE in September, 2021.**

APPRAISER'S NOTE: Restaurant Lockdown Limited Indoor Dining limited to 35% in January and February, 2021, with increase to 50% in latter March and April, 2021. ***As of the date of this appraisal, NO interior dining RESTAURANT limitations (as of June, 2021) and THE THEATRE USE is projected to be operational shortly in SEPTEMBER, 2021, as are all BROADWAY HOUSES and LINCOLN CENTER and CARNEGIE HALL Manhattan arts and theatre venues, to name a few Midtown Manhattan premiere performing arts venues.***

**OWNER/CLIENT'S PROJECTED 2021 OPERATING EXPENSES**:

The appraiser has modified the operating expenses found in the following projected BUSINESS PLAN and several subject building PRO FORMAS of 2021-2022 income and operating expenses, which can be found on the following pages of this report. The appraiser has used most of the actual expenses, including real estate taxes, water & sewer charges, insurance, fuel and common area electric. The appraiser has modified a few expenses, including supplies, repairs, management expense and visiting super, according to typical expense charges experienced in similar type buildings in the East Village.

***APPRAISER'S NOTE: According to the client, the roofs of both buildings were reportedly REPLACED during calendar year 2018. THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS at the Date of Inspection.***

**FACTORS UTILIZED IN DEVELOPING THE OVERALL 5% CAPITALIZATION RATE:**

The appraiser has utilized an overall **capitalization rate of 5%,** based on a number of factors, including the 2020 lingering effects of the COVID-19 PANDEMIC, recent and current 1st and 2nd Quarter 2021 reports by CBRE, Avison Young and Ariel Property Advisors, to name a few. The appraiser notes that the subject building is in average to above average partially renovated/upgraded overall condition (upgraded Electric service, new 2020 HVAC compressors, installation of a 49-seat outdoor dining area, approved by NYC DOT, etc.), as of August 1, 2021, the effective date of value and the date of inspection. The subject is located in an above average to excellent location directly on St. Marks Place. The appraiser notes that the subject building lacks an elevator and central fired cooling for floors 2 through 5 (above the GROUND FLOOR level). The typical 2ND through 5th floor-through layouts of the residential units are on a par or larger with typical floor-through layouts in similar early 20th Century Walk-up East Village mixed-use walk-up apartment buildings with ground floor stores.

**ON THE FOLLOWING PAGES, PLEASE FIND THE August 1, 2021 OWNER/CLIENT'S Business Plan and several PRO FORMA STATEMENTS, including the projected "Branding Rights Income" for the subject property (*see preceding pages 134-135 of this report.)* Also find a number of CAP RATE reports from 1ST AND 2ND QUARTERS of 2021, indicating capitalization rate ranges for Manhattan income-producing real estate, ranging from 4% to 6%. The appraiser is of the opinion that a 5% capitalization rate for the subject is reasonable and prudent.**

**78-80 St. Marks Place LLC**
**80 St. Marks Place**
**New York, NY 10003**
**646-217-8816**

78-80 St. Marks Place LLC Building Expenses 2020

| | |
|---|---|
| Electricity includes Gas | 20,094 |
| Property insurance | 7050 |
| Visiting Superintendent | 6890 |
| Management Fee | 28,850 |
| Real estate tax | 157,000 |
| Water Sewer | 12,489 |
| Supplies | 2041 |
| Maintenance and Repair | 43,304 |
| Exterminating | 3651 |

TOTAL 281,369

Lawrence Lorcan-Otway
Owner
March 5, 2021

**CLIENT-REPORTED SUBJECT BUILDING REMODELING AND REPAIRS: 2020**

**(*APPRAISER'S NOTE: According to the client, the roofs of both buildings were reportedly RE-SURFACED during calendar year 2018.* THE APPRAISER DID NOT INSPECT THE SUBJECT ROOFS at the Date of Inspection.)**

**78-80 St. Marks Place LLC**
**80 St. Marks Place**
**New York, NY 10003**
**646-217-8816**

78-80 St. Marks Place LLC Recent Larger Remodeling and Repairs

| | |
|---|---|
| Remodel Shower | 2050 |
| Change old fuse box to Circuit Breakers | 2000 |
| Deck in front balcony | 3200 |
| Removed old decking in back and front | 2000 |
| Upgraded HVAC | 32,700 |
| Awnings for front and back | 32,000 |
| Window for box office onto the street | 2,950 |
| New kitchens/ prep rooms in tavern | 40,000 |
| Upgrade electricity behind bar | 1200 |
| New ignition for boiler | 1,200 |
| Outdoor dining | 26, 500 |
| New windows in one apartment | 1500 |
| Theater Remodel theater | 81,000 |
| Replace several windows in ground floor, hallway | 3, 266 |

March 5, 2021

Lawrence Lorcan Otway

**OUTDOOR SEATING NOTIFICATION – JUNE, 2020 – NYC DEPT. OF TRANSPORTATION –**

**SUBJECT RESTAURANT: "SCHEIB'S"**

**---------- Forwarded message ---------**
**From: NYCDOT NOTICE <nycdotnotice@dot.nyc.gov>**
**Date: Fri, Jun 19, 2020 at 1:56 PM**
**Subject: Open Restaurant Form Confirmation**
**To: Scheibsplace@gmail.com <Scheibsplace@gmail.com>**

**Congratulations! As part of the City's Open Restaurants program, Scheib's Place Inc. , is authorized to add outdoor seating to the City's sidewalk and/or roadway in front of its restaurant in accordance with all applicable terms and conditions and health guidance.**

**Business name: Scheib's Place Inc.**
**Business phone: 6462178815**
**Establishment Address: 78-80 St. Marks Place , Manhattan, NY**

**Approved for:**

**Sidewalk Seating: yes**
**Roadway Seating: yes**
**Alcohol Service: yes**
**For questions about the program, requirements and resources please visit the NYCDOT Open Restaurant Program Website**

**Thank you,**

**NYC Department of Transportation**

# City Officials Attempt to Wrangle a Permanent Outdoor Dining Program for NYC

**Plus, Brooklyn's first esports venue opens with lots of food — and more intel**

**by Luke Fortney@lucasfortney Jul 2, 2021, 11:07am EDT**



*Roy Rochlin/Getty Images*

## City officials continue to negotiate a permanent plan for outdoor dining

**The Open Restaurants program has served as a lifeline for more than 11,000 restaurants and bars over the last year, who extended their seating into sidewalks and parking spaces with elaborate and makeshift outdoor setups. Now city officials are negotiating a permanent plan for the program's future, according to *Crain's New York*.**

**To make outdoor dining permanent, the Department of Transportation must first figure out an overhaul of zoning and permitting regulations across the city, no easy feat for a city of 8.6 million people and just as many opinions. The DOT has signaled its support for permanently ending several of the zoning rules that prohibited outdoor dining in the past, according to *Crain's*.**

**New zoning regulations are now being weighed by the city's community boards over the next three months.**

**The department is also considering reinstating fees for restaurant and bar owners who use street and sidewalk space with a focus on "accessibility," DOT commissioner Henry Gutman tells the *New York Times*.**

**When Mayor de Blasio announced the program last June, the city had to suspend roughly 20 zoning rules, *Crain's* reports, and replaced the historically expensive, months-long licensing process for outdoor dining with a free, instant online application.**

**Not everyone is on board with making outdoor dining permanent, however. In recent months, a small but vocal minority of New Yorkers has emerged in opposition to the program, citing complaints that range from safety concerns and noise complaints to pedestrian access and parking.**

**If city officials and community board members can't negotiate changes to Open Restaurants, the program is set to phase out at the end of 2022.**

# Gotham Gazette

- Newest Stories

# We Passed Outdoor Dining Into Law, Now We Must Improve It

**May 10, 2021 | by Antonio Reynoso**

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Ourdoor dining (photo: @nycgov)

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**In March of 2020, COVID-19 brought the pulse of our vibrant city to a devastating halt. New Yorkers were directed to stay in their homes, subways shut down and buses cleared out, offices closed, small businesses shuttered, and the vibrant action stopped in the restaurants that are so essential to our culture and quality of life.**

**Now, I may be biased, but I believe that Brooklyn has some of the best food options the city has to offer -- and some of the hardest working service workers, too! So when businesses in our communities reached out for urgent relief while the pandemic raged, I sponsored and passed legislation for outdoor dining to be allowed all across New York City.**

**It worked. Restaurants expanded onto our sidewalks and into our streets. Relieved owners received a newfound ability to serve customers in a safe manner after months of lost revenue. Residents were delighted to leave their homes and apartments, helping to relieve cabin fever and offering a glimmer of "normalcy." Kitchen and wait staff had work. We also found an amazing opportunity to reimagine our streetscape, reclaiming precious sidewalk and street space for New Yorkers — building community and providing an economic lifeline.**

**The outdoor dining program saved countless restaurants from bankruptcy while creating more space for residents to enjoy our street life, lifting the spirit of our city in an otherwise dark period. As we emerge from this pandemic, outdoor dining is a successful program we should keep, not just for our neighborhoods, but for all the small businesses still fighting to survive. With the obvious benefits for employers, employees, and our city as a whole, it deserves to keep going, especially if we learn from past lessons and make key improvements.**

**We must make the program more accessible to small businesses in every corner of our city by increasing educational outreach, providing technical assistance so businesses are set up for success, and streamlining the cure process for infractions.**

**From the taquerias and dim sum restaurants of Sunset Park to the roti shops in Flatbush, what makes New York City's restaurant scene so tantalizing is its diversity. We need to ensure that restaurant owners in outer-borough communities of color -- those neighborhoods hit hardest by the pandemic -- have the tools necessary to successfully utilize the outdoor dining program. We can do this by increasing targeted, multilingual, educational outreach about the program and how to use it. Encouraging more restaurants to participate not only helps the individual businesses, but will also uplift communities that have suffered the most during this pandemic. Increased outdoor dining will attract more customers to locally owned businesses and create more vibrant outdoor spaces, powering neighborhood recoveries.**

**Getting an outdoor dining program up and running at a restaurant is just one piece of the puzzle. We also need to make it easier for restaurants to successfully use the program. This means ensuring that technical assistance and support is readily available. Let's set businesses up for success by equipping restaurant owners and workers with knowledge about how to set up a safe and compliant outdoor dining space and avoid fines. While several agencies are able to levy fines, information about how to avoid and cure violations should be easily accessible from one central source and available in all languages. Restaurant**

**owners and workers need to spend this time making their businesses successful, not navigating a needlessly complex bureaucracy of city government in order to avoid being fined.**

**As we begin to emerge from pandemic restrictions, we have to look back and assess our government's response to the challenges we faced. We can be proud of what we did with outdoor dining, creating a policy that extended a critical lifeline to our residents, reimagined how our streets and sidewalks could be used, and provided our neighbors with a safe and much-needed escape in a time of great isolation.**

**Moving forward, we need to make sure that the program becomes permanent and harness its benefits while improving access and usability so that all small business owners can take advantage of this opportunity as we recover. Our restaurants have intersectional relationships with our communities, creating jobs, particularly for immigrant communities, serving as local gathering spaces, and giving hard-working New Yorkers a place to blow off steam. I want to build on this creativity and excitement, and if elected Brooklyn Borough President I will continue to explore innovative solutions that open up our public spaces in ways that benefit all Brooklynites.**

*******
**City Council Member Antonio Reynoso represents parts of Brooklyn and Queens. On Twitter @CMReynoso34.**

*******
**Have an op-ed idea or submission for Gotham Gazette?**
**Email opinion@gothamgazette.com**

**GENERAL INFORMATION OLN 1ST HALF 2021 NYC CAP RATES**


**Tri-State Investment Sales**
Second Quarter 2021

AVISON YOUNG

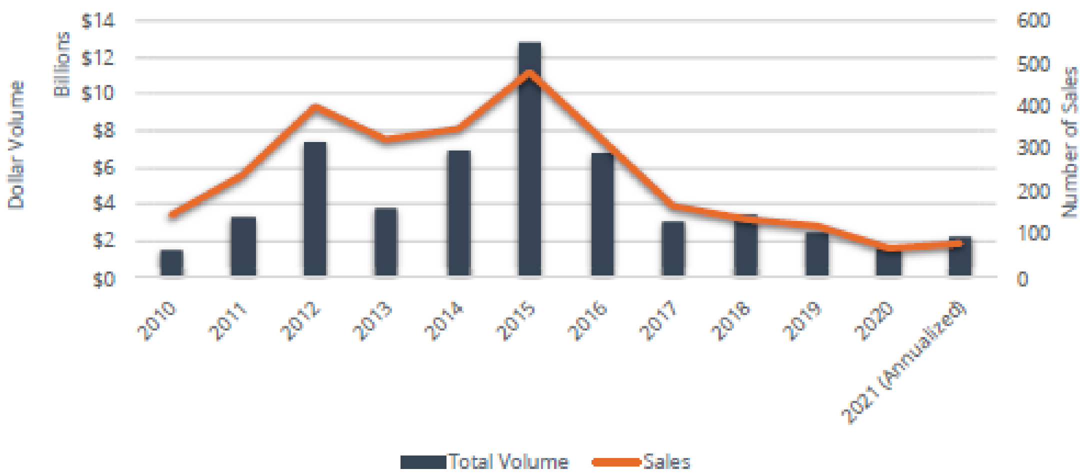
# Multi-Family/Mixed-Use

## Market Snapshot

| $438M | 28 | 4.67% | $742 |
|---|---|---|---|
| Total Dollar Volume | Number of Sales | Average Cap Rate | Average Price PSF |
| ↑ 21%* | ↑ 100%* | ↓ 28 bps* | ↑ 4%* |

*Trailing Four Quarter Average

## Transaction Volume & Number of Sales by Year




Largest Transactions

Apartment Property VALUATION

**TRAILING CALENDAR YEAR 2019 )**

# Cap Rates by County for Apartment Buildings in the 200 Largest Counties

Below is a list showing the median cap rate by county for select property types. Keep in mind that cap rates for specific properties may be higher or lower than the median in their area. Read more about How To Find the Market Value of Investment Real Estate.

Show entries

Search:

| County | Median Cap Rate | Property Type | |
|---|---|---|---|
| Current Cap Rate for New Castle County, Delaware | 6.94% | 1-3 Floors | 1949 or older |
| Current Cap Rate for New Haven County, Connecticut | 7.03% | 1-3 Floors | 1949 or older |
| Current Cap Rate for New London County, Connecticut | 7.08% | 1-3 Floors | 1950-1979 |
| **Current Cap Rate for New York County, New York** | **4.04%** | **1-3 Floors** | **1949 or older** |
| Current Cap Rate for Norfolk city, Virginia | 7.3% | 1-3 Floors | 1950-1979 |
| Current Cap Rate for Norfolk County, Massachusetts | 5.93% | 1-3 Floors | 1949 or older |
| Current Cap Rate for Northampton County, Pennsylvania | 6.73% | 1-3 Floors | 1949 or older |
| Current Cap Rate for Oakland County, Michigan | 8.13% | 1-3 Floors | 1950-1979 |
| Current Cap Rate for Oklahoma County, Oklahoma | 6.33% | 1-3 Floors | 1950-1979 |
| Current Cap Rate for Orange County, California | 4.38% | 1-3 Floors | 1950-1979 |

# ARBOR FINANCIAL
# Q1 2021 Small Multifamily Metro Area Cap Rate Trends

**BY CHANDAN ECONOMICS**
**MAY 12, 2021**

**SHARE:**

*Los Angeles saw the lowest small multifamily cap rates in the U.S. during the first quarter, at 4.2%.*

## Key Findings

- Through first-quarter 2021, smaller metros experienced more cap rate compression for small multifamily properties than larger gateway markets.
- Los Angeles maintained the lowest average small multifamily cap rates, with several California metros following closely behind.
- Las Vegas measured the most cap rate compression of any metro over the past year.

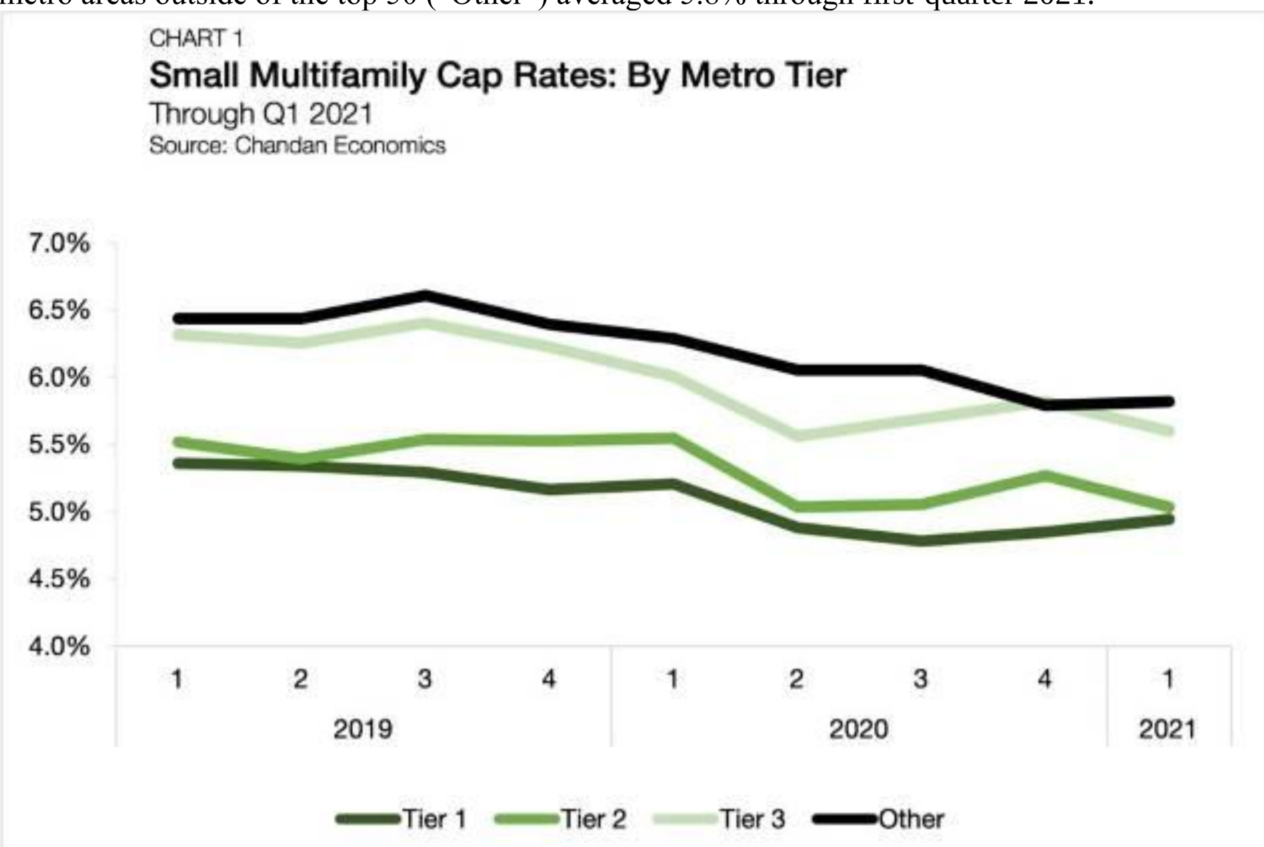
Despite an unrelenting series of headwinds over this past pandemic-stricken year, the small multifamily sector has performed favorably. According to the Q1 2021 Arbor Small Multifamily Investment Trends Report, cap rates for smaller-scale apartment properties[1] averaged 5.3% through the first three months of 2021, declining by 34 basis points (bps) from a year earlier.

For this briefing, data are explored at the Metropolitan Statistical Area (MSA) level, reported individually and aggregated into like-kind metro tiers. Evidence suggests that assets located in less populated, though rapidly expanding, metro areas tended to perform better over the past year as residential demand flowed out of gateway markets and into more affordable and spacious alternatives.

# Q1 2021 Small Multifamily Metro Trends By Tier

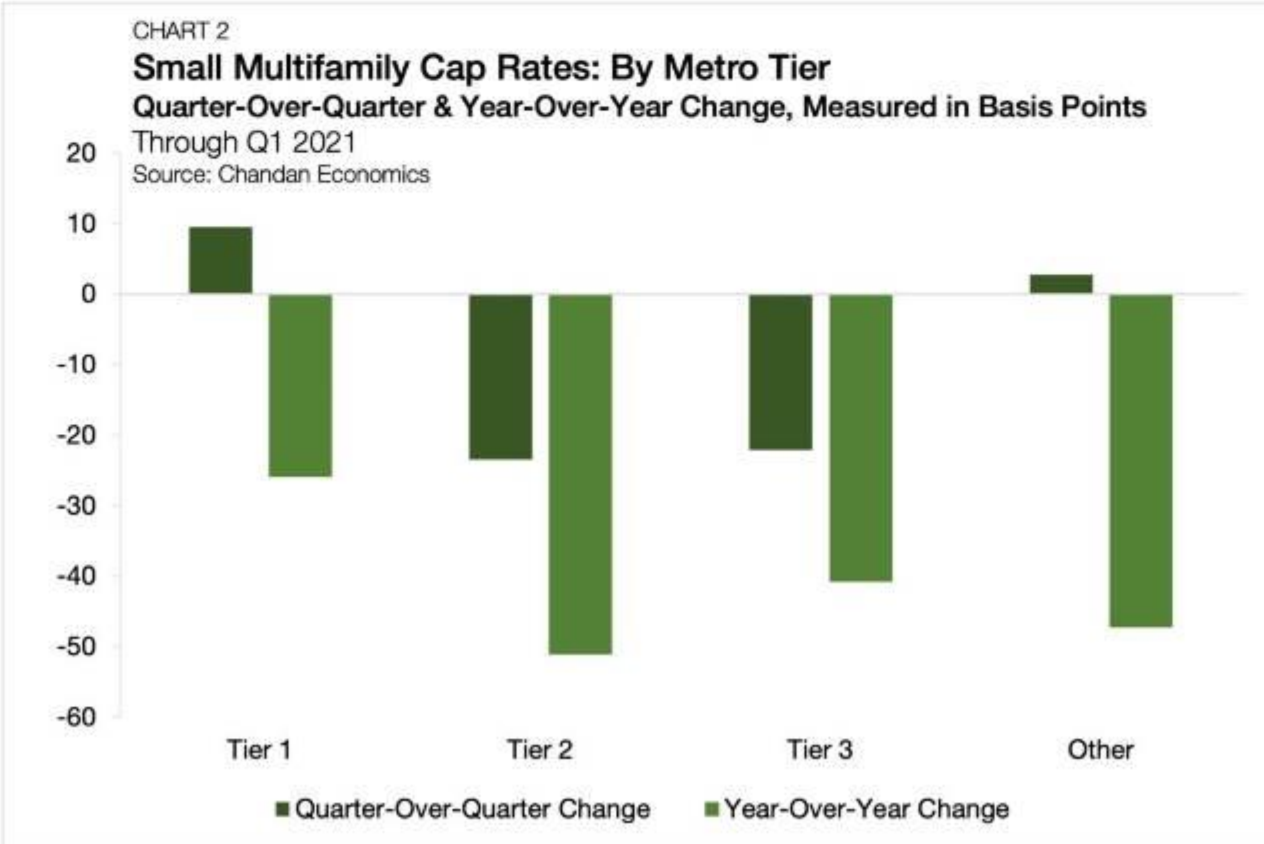
**ABOUT THE DATA:** Tiers 1,2, & 3 include the top 50 MSAs by residential population. Tiers are assigned by considering population, density and overall multifamily investment activity. For the full list of metros and corresponding tier classifications, see Table 1 at the end of this post.

Tier 1 metros maintained the lowest average small multifamily cap rates through the first quarter of 2021, averaging 4.9% *(Chart 1)*.[2] Tier 2 and Tier 3 metros followed with 5.0% and 5.6%, respectively. Cap rates in metro areas outside of the top 50 ("Other") averaged 5.8% through first-quarter 2021.



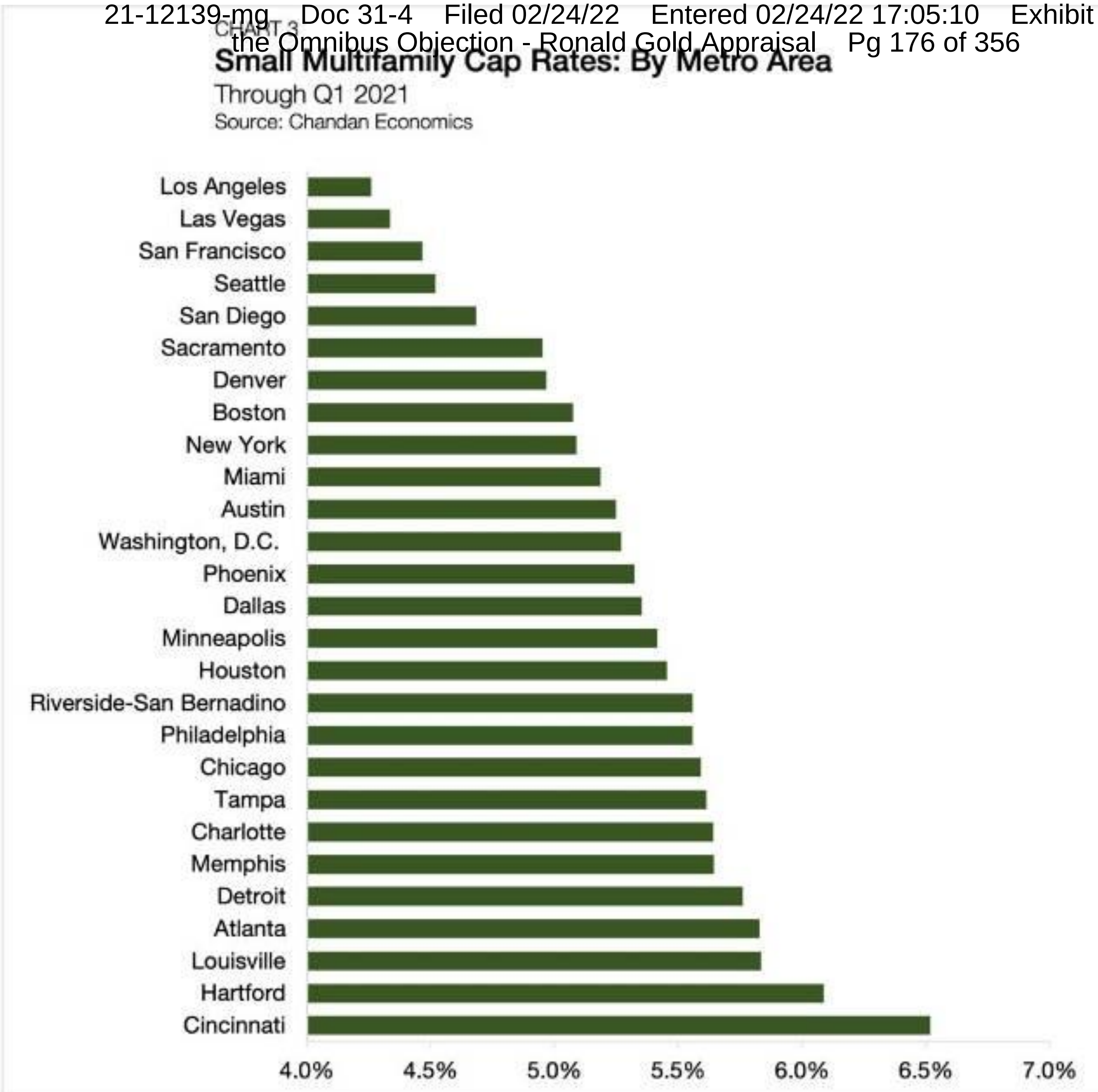

Measured quarter over quarter, cap rates fell the most in Tier 2 metros, declining 24 bps from the end of 2020 *(Chart 2)*. Tier 3 metros followed closely behind, ticking down 22 bps. Meanwhile, Tier 1 and Other metros both saw cap rates rise from the previous quarter, nudging up by 9 bps and 3 bps, respectively.

Measured year over year, all tiers saw declining cap rates. Tier 2 metros again led the pack, with cap rates in these metros falling by an average of 51 bps. Other and Tier 3 metros followed next, declining by 47 bps and 41 bps year over year, respectively. Tier 1 metros saw the least annual cap rate compression, falling by just 26 bps.




# Trends By Metropolitan Statistical Area (MSA)

Of the 27 metros tracked by Chandan Economics, Los Angeles held the lowest average small multifamily cap rate, coming in at 4.3% through the first three months of the year *(Chart 3)*. Several other California metros follow closely behind, with San Francisco (4.5%), San Diego (4.7%) and Sacramento (5.0%) all posting some of the lowest property-level yields in the country. At the other end of the spectrum, Cincinnati and Hartford are among the metros areas with the highest tracked small multifamily cap rates, averaging 6.5% and 6.1% in the first quarter of 2021, respectively.




**Measuring changes in cap rates year over year, Cincinnati once again made an appearance at one end of the list, expanding 22 bps over the past four quarters *(Chart 4)*. San Diego followed, with Q1 2021 small multifamily metro cap rates edging up by 19 bps over the same period.**

**Leading the country in cap rate compression over the past 12 months was Las Vegas, shaving off 150 bps from the same time last year — a symptom of rising residential demand in and around Sin City. Between 2010 and 2019, the residential population in Las Vegas exploded by 16%, nearly tripling the U.S. residential growth rate over the same period (6%), according to the U.S. Census Bureau.**

CHART 4

**Small Multifamily Cap Rates: By Metro Area**

**Year-Over-Year Change, Measured in Basis Points**

Through Q1 2021

Source: Chandan Economics

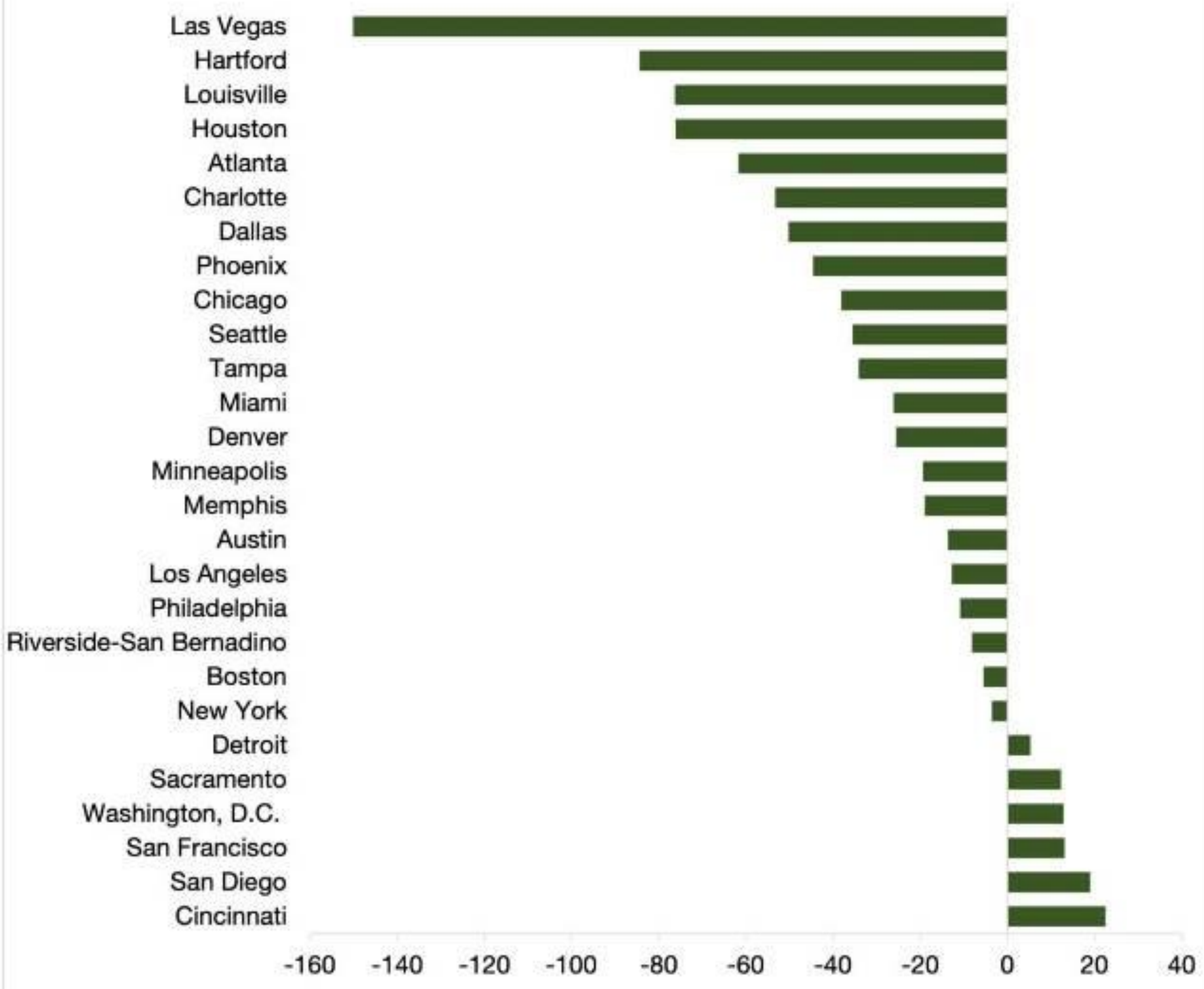



**Table 1: Metro Tier Classifications**

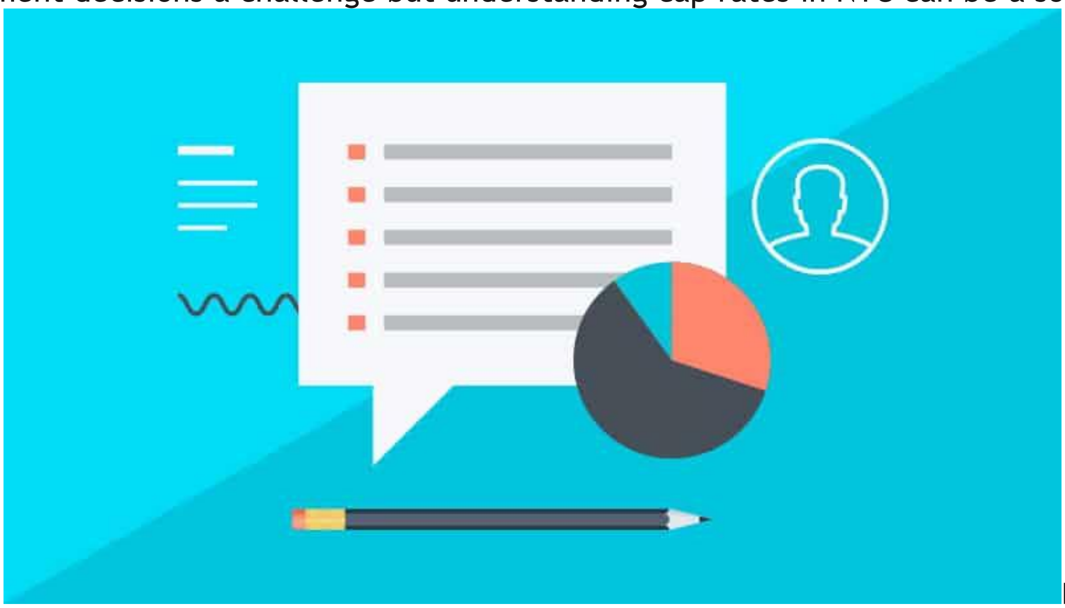
**Top 50 MSAs by Resident Population**

Source: Chandan Economics

| Tier 1 | Tier 2 | Tier 3 | | | | |
|---|---|---|---|---|---|---|
| Boston | Atlanta | Austin | Hartford | Milwaukee | Raleigh | Tampa |
| Chicago | Denver | Baltimore | Indianapolis | Nashville | Richmond | Virginia Beach |
| Dallas | Miami | Birmingham | Jacksonville | Oklahoma | Riverside | |
| Houston | Minneapolis | Charlotte | Kansas City | Omaha | Sacramento | |
| Los Angeles | Philadelphia | Cincinnati | Las Vegas | Orlando | Salt Lake City | |
| New York | Phoenix | Cleveland | Louisville | Pittsburg | San Antonio | |
| San Francisco | San Diego | Columbus | Madison | Portland | San Jose | |
| Washington, D.C. | Seattle | Detroit | Memphis | Providence | St. Louis | |

[1] For the purpose of this analysis, small multifamily properties are assets with valuations less than $15 million.

This city, with all of its boroughs, neighborhoods, and sub-neighborhoods, has the potential to behave like several different real estate markets at any given time. This variation can make real estate investment decisions a challenge but understanding cap rates in NYC can be a solution.



Long Description

# UNDERSTANDING THE CAP RATE

The capitalization rate (or "cap rate") is the most common metric for measuring the value of a potential real estate investment. Simply put, it's a calculation of the returns the property will produce each year, or net operating income (NOI) in relation to its operational costs.

To determine a property's cap rate, you divide the NOI (after expenses) by the market value. Here's the formula:

Net Operating Income / Current Market Value = Capitalization Rate

It's important to do this calculation using the fair market price for the property—not what you actually paid for it, because any renovations or improvements you do will affect the market value and, subsequently, the cap rate.

# APPLYING THE CAP RATE FORMULA TO NYC REAL ESTATE

Finding real estate in NYC is competitive, but it's not impossible. The cap rate can help in determining whether or not a property will be a worthwhile investment. Take a look at the example below to see how you could apply the cap rate formula to real estate in NYC.

**Example:**

Let's say the house you are looking at is selling for $450,000. By looking at median rental prices in New York, you estimate that you'll be able to charge $3,500 a month for rent. For simplicity's sake, let's go with the "50% Rule of Thumb," which states that all your operating costs—including your mortgage—should equal half your rental income. So after paying property taxes, upkeep, maintenance, and other expenses, you bring in **$1,750** of income per month from the property. Your net operating income is **$21,000** a year. Divide this NOI by **$450,000**, **and you get 0.0467, which translates into a cap rate of approximately 4.6%. This means that your annual return on your investment (ROI) is 4.6%. In other words, if you buy a property, your annual net income for the property will be 4.6% of what you paid for it.**

**Generally speaking, a low cap rate represents a low level of risk, while a high cap rate implies more risk. It is up to you to decide what risk-adjusted return is appropriate for your business goals. You'll likely want to consult with a professional financial advisor—especially if you took out a loan to finance the investment. Depending on your loan terms and rates, your net income may be greatly reduced.**

## THE AVERAGE CAP RATES IN NYC

**You shouldn't expect to be able to charge the same rent in outer boroughs as you would in downtown Manhattan. So it makes sense that this variation in rent spills over into cap rates as well.**

**Average cap rates in each borough vary, though they are usually between 3% and 6%. Generally speaking, Queens and the Bronx have the highest average cap rates, and Brooklyn and Manhattan the lowest.**

**It might be weird to think of the hottest neighborhoods having the lowest rates. After all, even with a huge year-to-year drop, rental rates in Manhattan still average $3,700 per month; $3,100 per month in Brooklyn; and $2,600 per month in Queens.**

HomeVestors

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May 4, 2021

# FORBES MAGAZINE

# NYC's Q1 2021 Multifamily Market By The Numbers

**Shimon Shkury**
Contributor
Real Estate

An overview of the state of NYC's multifamily market

## New York City's First Q 2021 Investment Sales Market

Conversely, in Brooklyn (5.89%), Northern Manhattan (6.19%) and Queens (6.23%), average cap rates rose from 4.85%, 4.92% and 5.09% respectively, **while Manhattan's average cap rate experienced only a slight increase from 4.26% to 4.43%. The trailing six-month performance averages are lagging indicators, though, from October to**

**March, and investor sentiment has improved drastically over the past 60 days.** It's becoming abundantly clear that pricing has stabilized in general and the city has already hit its bottom.

Investment Sales Market By the Numbers

### Manhattan

Manhattan grossed $322.9 million, which accounted for 52% of total dollar volume in Q1 2021 across the city. Compared to Q4 2020, dollar volume, transaction volume and property volume declined by 69%, 39% and 72% respectively. The submarket recorded 14 transactions including 22 properties, reflecting an 8% increase in transaction volume and 47% in property volume year-over-year. However, there was a 55% decrease in dollar volume, a number skewed by the Q1 2020 closing of 10 East 29th Street for approximately $381 million. Removing that outlier transaction from the equation, dollar volume is only down 6% year-over-year.

**Overall, the numbers indicate a dearth of large institutional transactions. This trend is appearing to turn around, though, with large deals currently under contract, such as RXR Realty's $220 million acquisition of the rental portion of CIM Group and LIVWRK's 85 Jay Street in DUMBO, the Moinian Group's 20% acquisition of Sky tower (which gains them full ownership of the largest residential tower in Manhattan) and Stonehenge Partners' $135 million acquisition of 920 Park Avenue.**

ARIEL PROPERTY ADVISORS

Heading into the anniversary of the onset of Covid-19 in the U.S**., the New York City multifamily market continued to experience low transaction and dollar volume both as a result of the pandemic and the ongoing effects of the Housing Stability and Tenant Protection Act of 2019. According to research from Ariel Property Advisors, the New York City multifamily market recorded $620 million in dollar volume, stemming from 56 transactions that included 83 properties overall. Year-over-year, these numbers reflect a 58% decrease in dollar volume, 14% decrease in transaction volume and 16% decrease in property volume,**

**while compared to 2020 Q4, these decreases are 60%, 25% and 53% respectively.**

Still, there's good news: the first quarter, despite a sluggish start, finished strong in March. With tailwinds such as lower vacancy rates, fewer rental concessions, better collections and significantly higher price discovery, it's increasingly safe to say that New York City is coming back. In fact, overall contract execution during the first quarter increased significantly, which signals a higher volume of transactions throughout 2021.

**Here's what you need to know.**

**Multifamily Fundamentals by the Numbers**

**In Manhattan, February's new lease signings rose 112% year-over-year, marking the largest monthly gain since April 2011. The average vacancy rate fell to 5%, down from a high of 6.14% in October 2020, while the average rent ($3,791) and average concessions (2.1 months) appear to have bottomed out from market lows of $3,745 and 2.3 months respectively, according to a recent Elliman Report. This signals that people are actually moving back to the city, which is an encouraging sign not only for housing but for office, retail, dining and entertainment as well.**

The Brooklyn rental market recorded 1,843 new lease signings in February, which represents a significant 133% increase from the previous year. Out of the 56 total transactions in Q1 2021, 40% were free market and 60% contained rent-stabilized units. Investor confidence in rent-stabilized assets is a trend to watch as 26 of the rent-stabilized transactions were at least

80% rent-stabilized. Investors are seeing the long-term potential in the stability of these properties.

**One outlier that stands out in the numbers is the trailing six-month performance average of the Bronx, which was the only borough that didn't experience a decline in pricing metrics; the average cap rate decreased (denoting less risk) from 5.99% (October 2019 to March 2020) to 5.50% (October 2020 to March 2021) and average GRM increased from 9.75 to 10.92.**

All signs point to the multifamily bottoming out at the end of 2020. Bidding and contract activity has picked up considerably in the past 60 days. Despite some of the low numbers in Q1, investors should be optimistic for New York City's multifamily market prospects. The city continues to re-open with restaurants currently at 75% indoor capacity and offices slated to open to further capacity in mid-May. With the continued reopenings, employees returning to the office and widespread Covid-19 vaccine distribution, people and capital are following. The Federal Reserve plans to keep interest rates low for the foreseeable future, which means an opportunistic multifamily lending environment is likely—and if March's increased activity is any indication, investors are moving now to ride a wave of growth.

*Follow me on Twitter or LinkedIn. Check out my website.*

**Shimon Shkury**

I am the founder and president of Ariel Property Advisors, a commercial real estate services and advisory firm based in New York City. I oversee all

THE Boulder GROUP

Q2 2021

# THE NET LEASE DOLLAR STORE REPORT

## DOLLAR STORE PROPERTIES MEDIAN ASKING CAP RATES

| Tenant | Q2 2020 (Previous) | Q2 2021 (Current) | Basis Point Change |
|---|---|---|---|
| Dollar General | 6.90% | 5.75% | -115 |
| Family Dollar | 7.15% | 6.85% | -30 |
| Dollar Tree | 7.03% | 6.50% | -53 |

## MEDIAN ASKING PRICE

| Tenant | Median Asking Price | Median Price Per Foot |
|---|---|---|
| Dollar General | $1,700,000 | $186 |
| Family Dollar | $1,462,070 | $159 |
| Dollar Tree | $2,769,230 | $200 |

## MEDIAN ASKING CAP RATE BY LEASE TERM REMAINING

| Years Remaining | Dollar General | Family Dollar | Dollar Tree |
|---|---|---|---|
| 12-15 Years | 5.45% | 6.50% | NA |
| 9-11 Years | 6.00% | 6.75% | 6.15% |
| 6-8 Years | 6.65% | 7.20% | 6.60% |
| 3-5 Years | 7.50% | 7.90% | 7.00% |
| Under 3 Years | 7.90% | 8.15% | 7.25% |

## MEDIAN NATIONAL CLOSED CAP RATE SPREAD

| Tenant | Closed | Ask | Spread (bps) |
|---|---|---|---|
| Dollar General | 5.97% | 5.75% | 22 |
| Family Dollar | 7.10% | 6.85% | 25 |
| Dollar Tree | 6.69% | 6.50% | 19 |

## MARKET OVERVIEW

Cap rates within the single tenant net lease dollar store sector compressed to a new historic low for Dollar General (5.75%) and Dollar Tree (6.50%) properties in the second quarter of 2021. Cap rates for all three of the major dollar store brands (Dollar General, Family Dollar and Dollar Tree) compressed during the second quarter to an aggregate level of 6.11%. This represented an 87 basis point decline in cap rates year over year for the dollar store sector.

Throughout the course of the Covid-19 pandemic, investor demand in the dollar store sector increased to record levels. When compared to the second quarter of 2020, cap rates for Dollar General, Family Dollar and Dollar Tree compressed by 115, 30 and 53 basis points respectively. Dollar General accounted for the majority of the dollar store supply (82%) on the market. The primary contributing factor for the cap rate compression was a limited supply of new construction properties with investment grade tenants and long term leases. The dollar sector is mostly comprised of properties below $2.5 million. This price point contains the majority of 1031 exchange requirements adding further demand to the sector.

In the past, the dollar store sector traded at a significant discount to the entire net lease market. However, in the second quarter of 2021, the dollar store sector was priced only at a 9 basis point discount to the overall retail net lease market. In 2020, this figure was 73 basis points demonstrating the increased investor demand for the sector.

The new store development pipeline will continue to make this asset class a popular target for 1031 investors, especially as Dollar Tree rolls out a new store format. Dollar Tree recently introduced a new combination store in 2021 which combines the concepts and product offerings of both Family Dollar and Dollar Tree stores into one building. Net lease investors will be carefully monitoring the success of these locations as the concept continues to grow across the country.

The net lease dollar store sector will continue to be active as investors are attracted to the strong credit tenants that this asset class provides. As dollar store retailers continue to perform well in all types of economic environments, investors of all classes will continue to seek out these investments. New construction dollar stores will remain in the highest demand as they provide investors with long term and passive leases. The national expansion plans of the dollar store retailers combined with new store format rollouts should be able to keep supply levels high.

# RECENT SPRING 2021 RENTAL COMPARABLES, Courtesy of Lee & Associates, NYS Licensed RE Brokers

## RENTAL COMPS

**Closed 2 Bed Rentals**

| **Address** | Unit | Monthly Rent | Date Signed |
|---|---|---|---|
| 128 First Ave | 7 | $4,250 | Apr-21 |
| 130 St. Marks Place | 3E | $2,795 | Apr-21 |
| 86 E 7th Street | 3 | $3,662 | Apr-21 |
| 111 E 7th Street | 22 | $3,380 | Apr-21 |
| 34 St. Marks Place | 10 | $3,250 | Apr-21 |
| 128 Second Ave | B3 | $3,100 | Mar-21 |
| 117 E 7th Street | 1C | $3,300 | Mar-21 |
| 32 St. Marks Place | A10 | $3,400 | Feb-21 |
| 34 St. Marks Place | 5 | $2,595 | Feb-21 |
| 83 St. Marks Place | 2R | $2,889 | Feb-21 |
| 33 St. Marks Place | 8 | $2,950 | Jan-21 |
| 418 E 9th Street | 5AA | $4,000 | Jan-21 |
| **Min** | | **$2,595** | |
| **Max** | | **$4,250** | |
| **Average** | | **$3,298** | |

**Closed 3 Bed Rentals**

| **Address** | Unit | Monthly Rent | Date Signed |
|---|---|---|---|
| 24 St. Marks Place | 8 | $4,500 | Apr-21 |
| 251 E 10th Street | 10 | $4,500 | Apr-21 |
| 90 St. Marks Place | 3 | $5,200 | Mar-21 |
| 138 First Ave | 1 | $6,000 | Feb-21 |
| 49 St. Marks Place | 2 | $5,500 | Jan-21 |
| 24 St. Marks Place | 10A | $3,565 | Dec-20 |
| 107 St. Marks Place | 3F | $3,921 | Nov-20 |
| **Min** | | **$3,565** | |
| **Max** | | **$6,000** | |
| **Average** | | **$4,741** | |

# CLIENT'S PROJECTED 2021 BUSINESS PLAN – Theatre, Restaurant and Museum - Pertinent Financial Projection Pages


# BUSINESS PLAN

2021

## Historic 80 St. Marks Place

A Historic Venue for a Contemporary Community

646-217-8815 | 80 St. Marks Place, New York, NY 10003

# Projections/Sales Forecast

## Restaurant Projections

**July to September 2021**

Approx 32 people Inside Auditorium / 8 tables
4 tables in lobby area
7 tables outside
19 tables total x $38 tab with 4 turn over — $86,640/month

**July to December 2021 Total: $259,920**

**September to December 2021**

Expect to have performers which will have multiple shows a day so we have scheduled patrons. There will be a per person charge rather than by table. Approx 15 shows a week with an average of 40 people at approx $30 per person. — $72,000/month

Plus 7 outside tables with 3 turnovers at $40 per table — $25,200/month

$97,200/month

**September to December 2021 Total: $388,800**

**January To December 2022**

Expect to be able to have 20 shows a week, average 40 people attending at $40 a person. We expect that we will be allowed a higher capacity of people. There will be longer hours (now it is 12 pm) — $128,000/month

Plus 7 outside tables with 3 turnovers at $40 per table — $25,200/month

$153,200/month

**January to December 2022 Total: $1,838,400**

**Restaurant Sales Total:** July 2021 to Dec. 2022 **$2,487,120**

**Restaurant Expenses** July 2021 to Dec 2022 **-$1,281,000**

**Net profit $1,206,120**

# Projections/Sales Forecast (Continued)

## Theater

**September to December, 2021**

| | |
|---|---|
| Approx 15 shows a week with an average of 40 people at approx $15 per person | $36,000/month |
| Plus $800 per 8 pm 3 days a week | $9,600/month |
| | $45,600/month |

**September to December 2021 Total: $182,400**

**January 2022 to December 2022**

| | |
|---|---|
| Approx 20 shows a week with an average of 50 people at approx $15 per person | $60,000/month |
| Plus 5 shows per 8 pm | $24,000/month |
| | $84,000/month |

**January to December 2022 Total: $1,008,000**

**Theater Total:** Sept. 2021 to Dec. 2022 **$1,190,400**

**Theater Expenses** July 2021 to Dec 2022 **-$219,090**

**Net profit $971,310**

## Museum

**July to December 2021**

| | |
|---|---|
| Tours 15 tours a week, $20 each, 10 people a tour | $12,000/month |

**January 2022 to December 2022**

| | |
|---|---|
| 23 Tours at $20, 20 people a tour | $36,800/month |

**Museum Total:** July. 2021 to Dec. 2022 **$513,600**

**Museum Expenses** July 2021 to Dec 2022 **-$89,270**

**Net profit $424,330**

**CLIENT'S INCOME AND OPERATING 2021-2022 PROJECTION PRO FORMAS FOR THE SUBJECT BUILDING**

# 80 ST MARKS BUILDING Proforma

| B | C | D | E | F | G | H | I | J | K | L | M | N |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Year |
| **INCOME** | | | | | | | | | | | | |
| 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | 2,950.00 | **35,400.00** |
| 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | 3,605.00 | **43,260.00** |
| 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | **84,000.00** |
| 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | **168,000.00** |
| 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | **60,000.00** |
| 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | **36,000.00** |
| **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **35,555.00** | **426,660.00** |
| **EXPENSES** | | | | | | | | | | | | |
| 1,200.00 | 1,200.00 | 1,200.00 | 1,100.00 | 800.00 | 800.00 | 1,200.00 | 1,300.00 | 1,400.00 | 1,400.00 | 1,400.00 | 1,400.00 | **14,400.00** |
| 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | 1,725.00 | **20,700.00** |
| 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | **2,400.00** |
| 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | **120.00** |
| 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | **7,511.76** |
| 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | **2,484.72** |
| 3,970.73 | 3,970.73 | 3,970.73 | 3,970.73 | 2,970.73 | 3,970.73 | 3,970.73 | 3,970.73 | 3,970.73 | 4,470.73 | 4,470.73 | 3,970.73 | **47,648.76** |
| 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | 6,477.24 | **77,726.88** |
| 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | 397.00 | **4,764.00** |
| 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | 2,652.00 | **31,824.00** |
| 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | 1,700.00 | **20,400.00** |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | **1,200.00** |
| 550.00 | 550.00 | 550.00 | 550.00 | 250.00 | 250.00 | 250.00 | 300.00 | 300.00 | 250.00 | 250.00 | 300.00 | **4,350.00** |
| 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | **3,760.44** |
| **20,128.38** | **20,128.38** | **20,128.38** | **20,028.38** | **18,428.38** | **19,428.38** | **19,828.38** | **19,978.38** | **20,078.38** | **20,528.38** | **20,528.38** | **20,078.38** | **239,290.56** |
| 20,128.38 | 20,128.38 | 20,128.38 | 20,028.38 | 18,428.38 | 19,428.38 | 19,828.38 | 19,978.38 | 20,078.38 | 20,528.38 | 20,528.38 | 20,078.38 | **239,290.56** |
| 15,426.62 | 15,426.62 | 15,426.62 | 15,526.62 | 17,126.62 | 16,126.62 | 15,726.62 | 15,576.62 | 15,476.62 | 15,026.62 | 15,026.62 | 15,476.62 | **187,369.44** |

**CLIENT SUPPLIED PRO FORMA FOR 2021-2022 FOR THE CABARET STYLE THEATRE**

# Theatre 80 Proforma

| | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | | | | | | | |
| Rentals of theatre space and ticke | 15,000.00 | 20,000.00 | 45,000.00 | 45,000.00 | 45,000.00 | 45,000.00 | 60,000.00 | 70,000.00 | 84,000.00 | 84,000.00 | 84,000.00 | 84,000.00 | **681,000.00** |
| Subscriptions | 2,000.00 | 4,000.00 | 5,000.00 | 4,000.00 | 500.00 | 500.00 | 600.00 | 600.00 | 700.00 | 800.00 | 800.00 | 500.00 | **20,000.00** |
| Merchandise | 1,000.00 | 1,000.00 | 1,500.00 | 1,500.00 | 500.00 | 500.00 | 500.00 | 600.00 | 700.00 | 1,000.00 | 1,000.00 | 1,000.00 | **10,800.00** |
| | | | | | | | | | | | | | **0.00** |
| **Income totals** | **18,000.00** | **25,000.00** | **51,500.00** | **50,500.00** | **46,000.00** | **46,000.00** | **61,100.00** | **71,200.00** | **85,400.00** | **85,800.00** | **85,800.00** | **85,500.00** | **711,800.00** |
| **EXPENSES** | | | | | | | | | | | | | |
| Adv and promotion | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | **12,000.00** |
| Marketing | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | **18,000.00** |
| Telephone | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | 550.00 | **6,600.00** |
| Bank fees | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | **120.00** |
| Professional fees | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | **7,511.76** |
| Equipment | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | **2,484.72** |
| Staff | 7,666.00 | 14,666.00 | 14,666.00 | 15,666.00 | 9,666.00 | 13,666.00 | 14,666.00 | 14,666.00 | 16,666.00 | 17,666.00 | 17,666.00 | 16,666.00 | **173,992.00** |
| Payroll Taxes | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | **19,992.00** |
| Business Insurance | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | 448.41 | **5,380.92** |
| Cleaning Services | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | **12,000.00** |
| Payroll services | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | **7,096.68** |
| Rent | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | **84,000.00** |
| Computer and IT | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | **3,000.00** |
| Website | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | **3,000.00** |
| Repair and Maintenance | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | **18,000.00** |
| Sanitation | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | **2,736.00** |
| Exterminating | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | **3,760.44** |
| **Expenses totals** | **24,806.21** | **31,806.21** | **31,806.21** | **32,806.21** | **26,806.21** | **30,806.21** | **31,806.21** | **31,806.21** | **33,806.21** | **34,806.21** | **34,806.21** | **33,806.21** | **379,674.52** |
| **Total expenses** | 24,806.21 | 31,806.21 | 31,806.21 | 32,806.21 | 26,806.21 | 30,806.21 | 31,806.21 | 31,806.21 | 33,806.21 | 34,806.21 | 34,806.21 | 33,806.21 | **379,674.52** |
| **Net income** | (6,806.21) | (6,806.21) | 19,693.79 | 17,693.79 | 19,193.79 | 15,193.79 | 29,293.79 | 39,393.79 | 51,593.79 | 50,993.79 | 50,993.79 | 51,693.79 | **332,125.48** |

# CLIENT SUPPLIED PRO FORMA FOR 2021-2022 FOR THE RESTAURANT/TAVERN

## Tavern Proforma

| | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | | | | | | | |
| Food and Beverages | 59,700.00 | 64,400.00 | 72,000.00 | 90,000.00 | 100,000.00 | 100,000.00 | 128,000.00 | 153,000.00 | 153,000.00 | 153,000.00 | 153,000.00 | 153,000.00 | **1,379,100.00** |
| merchandise | 500.00 | 500.00 | 800.00 | 300.00 | 300.00 | 300.00 | 300.00 | 500.00 | 500.00 | 600.00 | 700.00 | 700.00 | **6,000.00** |
| Rent from subtenant (Theatre) | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | 7,000.00 | **84,000.00** |
| | | | | | | | | | | | | | **0.00** |
| **Income totals** | **67,200.00** | **71,900.00** | **79,800.00** | **97,300.00** | **107,300.00** | **107,300.00** | **135,300.00** | **160,500.00** | **160,500.00** | **160,600.00** | **160,700.00** | **160,700.00** | **1,469,100.00** |
| **EXPENSES** | | | | | | | | | | | | | |
| Adv and promotion | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | 416.66 | **4,999.92** |
| Marketing | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | **18,000.00** |
| Electricity | 800.00 | 1,000.00 | 1,000.00 | 1,000.00 | 500.00 | 500.00 | 500.00 | 800.00 | 800.00 | 1,725.00 | 1,725.00 | 1,725.00 | **12,075.00** |
| Telephone | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | **660.00** |
| Bank fees | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | **120.00** |
| Professional fees | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | 625.98 | **7,511.76** |
| Postage and Mailing | 27.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | **27.50** |
| Equipment | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | 416.00 | **4,992.00** |
| Staff | 16,666.00 | 16,666.00 | 16,666.00 | 16,666.00 | 11,666.00 | 15,666.00 | 15,666.00 | 16,666.00 | 17,666.00 | 18,666.00 | 18,666.00 | 18,666.00 | **199,992.00** |
| Payroll Taxes | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | 1,666.00 | **19,992.00** |
| Plumbing maintenance | 1,326.30 | | | | | | | | | | | | **1,326.30** |
| Payroll services | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | **7,096.68** |
| Rent | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | 14,000.00 | **168,000.00** |
| Business Insurance | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | 1,838.78 | **22,065.36** |
| Website | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | |
| licensing/compliance | 785.00 | | | | | | | | | | | | **785.00** |
| Food and Beverage (inventory) | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | 22,985.00 | **275,820.00** |
| NYS Sales Tax | 5,342.00 | 5,759.00 | 6,461.00 | 8,014.12 | 8,901.62 | 8,901.62 | 11,386.62 | 13,623.12 | 13,623.12 | 13,632.00 | 13,640.87 | 13,640.87 | **122,925.96** |
| Sanitation split with theatre | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | 228.00 | **2,736.00** |
| Repair and Maintenance | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | **3,000.00** |
| Exterminating (350) | 350.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | 313.37 | **3,797.44** |
| **Expenses totals** | **70,129.98** | **68,571.18** | **69,273.18** | **70,826.30** | **66,213.80** | **70,213.80** | **72,698.80** | **76,235.30** | **77,235.30** | **79,169.18** | **79,178.05** | **79,178.05** | **878,922.92** |
| **Total expenses** | 70,129.98 | 68,571.18 | 69,273.18 | 70,826.30 | 66,213.80 | 70,213.80 | 72,698.80 | 76,235.30 | 77,235.30 | 79,169.18 | 79,178.05 | 79,178.05 | **878,922.92** |
| **Net income** | (2,929.98) | 3,328.82 | 10,526.82 | 26,473.70 | 41,086.20 | 37,086.20 | 62,601.20 | 84,264.70 | 83,264.70 | 81,430.82 | 81,521.95 | 81,521.95 | **590,177.08** |

**CLIENT SUPPLIED 2021-2022 PRO FORMA FOR MUSEUM**

# Museum Proforma

| | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **INCOME** | | | | | | | | | | | | | |
| Ticket Sales | 12,000.00 | 14,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | 20,000.00 | 23,000.00 | 28,000.00 | 30,000.00 | 32,000.00 | 36,000.00 | **255,000.00** |
| Merchandise | 300.00 | 400.00 | 500.00 | 600.00 | 300.00 | 400.00 | 500.00 | 500.00 | 800.00 | 800.00 | 800.00 | 800.00 | **6,700.00** |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | **0.00** |
| **Income totals** | **12,300.00** | **14,400.00** | **15,500.00** | **15,600.00** | **15,300.00** | **15,400.00** | **20,500.00** | **23,500.00** | **28,800.00** | **30,800.00** | **32,800.00** | **36,800.00** | **261,700.00** |
| **EXPENSES** | | | | | | | | | | | | | |
| Adv and promotion | 800.00 | 800.00 | 800.00 | 800.00 | 100.00 | 400.00 | 500.00 | 700.00 | 800.00 | 800.00 | 800.00 | 800.00 | **8,100.00** |
| Marketing | 2,200.00 | 2,200.00 | 2,200.00 | 1,500.00 | 300.00 | 700.00 | 900.00 | 1,200.00 | 1,200.00 | 1,300.00 | 1,300.00 | 1,300.00 | **16,300.00** |
| Electricity | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | 265.00 | **3,180.00** |
| Telephone/Internet | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | 55.00 | **660.00** |
| Bank fees | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | **120.00** |
| Professional fees | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | **2,400.00** |
| Office expenses | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | 125.00 | **1,500.00** |
| Equipment | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | 207.06 | **2,484.72** |
| Staff (1 full time, 1 part time) | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | 3,575.00 | **42,900.00** |
| NYS Sales Tax | 1,091.62 | 1,278.00 | 1,375.62 | 1,384.50 | 1,357.87 | 1,366.75 | 1,819.37 | 2,085.62 | 2,556.00 | 2,733.50 | 2,911.00 | 3,266.00 | **23,225.85** |
| Payroll services | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | 591.39 | **7,096.68** |
| Payroll Taxes | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | 357.50 | **4,290.00** |
| Rent | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | **60,000.00** |
| Website | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | **3,000.00** |
| Business Insurance | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | **504.00** |
| Repair and Maintenance | 250.00 | 250.00 | 250.00 | 250.00 | 1,000.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | **3,750.00** |
| **Expense totals** | **15,019.57** | **15,205.95** | **15,303.57** | **14,612.45** | **13,435.82** | **13,394.70** | **14,147.32** | **14,913.57** | **15,483.95** | **15,761.45** | **15,938.95** | **16,293.95** | **179,511.25** |
| | | | | | | | | | | | | | |
| **Total expenses** | 15,019.57 | 15,205.95 | 15,303.57 | 14,612.45 | 13,435.82 | 13,394.70 | 14,147.32 | 14,913.57 | 15,483.95 | 15,761.45 | 15,938.95 | 16,293.95 | **179,511.25** |
| **Net income** | (2,719.57) | (805.95) | 196.43 | 987.55 | 1,864.18 | 2,005.30 | 6,352.68 | 8,586.43 | 13,316.05 | 15,038.55 | 16,861.05 | 20,506.05 | **82,188.75** |

**APPRAISER'S PROJECTED ANNUALIZED STABILIZED INCOME AND OPERATING EXPENSES**

**AND CAPITALIZATION OF NET INCOME**

**Valuation Analysis**

Prepared By: Ronald M. Gold
Analysis Date: August 1, 2021
Property Address: 78-80 St. Marks Place, New York, NY 10003
Square Foot Area: 14,400

| Unit | # Units or Unit Size | $/Mo. or $/SF | Annual Rent | % Of PGI |
|---|---|---|---|---|
| Comm'l - Theatre 80 LLC | 1 | $10,000 | $120,000 | 11.8% |
| Comm'l Restaur. - "Scheib's" | 1 | $23,000 | 276,000 | |
| 78 St. Marks - Museum | 1 | $5,000 | 60,000 | |
| 78 St. Marks - Unit 2 | 1 | $3,500 | 42,000 | |
| Branding Rights | 1 | $25,000 | 300,000 | |
| 78 St. Marks - Unit 3 | 1 | $3,000 | 36,000 | |
| 78 St. Marks - Unit 4 | 1 | $2,950 | 35,400 | |
| 80 St. Marks - Townhouse | 1 | $12,000 | 144,000 | |
| | | | 0 | |
| **Potential Gross Income (PGI):** | | | **$1,013,400** | **11.8%** |
| **Vacancy and Credit Loss:** | | **5.0%** | **$50,670** | |
| **Effective Gross Income (EGI):** | | | **$962,730** | **95.0%** |

| Expenses | | Per Square Foot |
|---|---|---|
| Real Estate Taxes (Actual) | $163,686 | $11.37 |
| Water and Sewer (Actual) | 12,489 | $0.87 |
| Insurance (Actual) | 7,050 | $0.49 |
| Fuel (Gas) Estimated | 14,000 | $0.97 |
| Electric (Common Area) (Estimated) | 5,000 | $0.35 |
| Supplies (Estimated) | 12,000 | $0.83 |
| Repairs (Estimated) | 12,000 | $0.83 |
| Management (Actual) | 28,850 | $2.00 |
| Visiting Super (Actual) | 6,890 | $0.48 |
| **Total Expenses:** | **$261,965** | **$18.19** |
| **Expense Ratio (Expenses/EGI):** | **27.2%** | |

| | | |
|---|---|---|
| **Net Operating Income (NOI):** | **$700,765** | **$48.66** |
| **Capitalization Rate:** | **5.0%** | |
| **Value:** | **$14,015,300** | **$973.28** |
| **Rounded:** | **$14,000,000** | **$972.22** |

# Capitalization Rate Tools

**Mortgage Equity Analysis**

| Mortgage Constant* | | Loan Ratio | | | Contributions |
|---|---|---|---|---|---|
| 0.079836 | x | 50.0% | | = | 3.99% |
| Equity Yield Rate | | Equity Ratio | | | |
| 4.00% | x | 50% | | = | 2.00% |
| | | | | | 5.99% |

Less Equity Buildup:
Loan ratio x percent paid off x sinking fund factor (SFF)

| | | | | | | |
|---|---|---|---|---|---|---|
| 50.0% | x | 14.19% | x | 0.08329 | = | -0.59% |

Adjustment for Depreciation or Appreciation:
Plus depreciation (or minus appreciation) x SFF

| | | | | | |
|---|---|---|---|---|---|
| | -4.0% | x | 0.08329 | = | -0.33% |
| | | | **Capitalization Rate** | = | **5.07%** |

**Debt Coverage Ratio Analysis**

Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant*

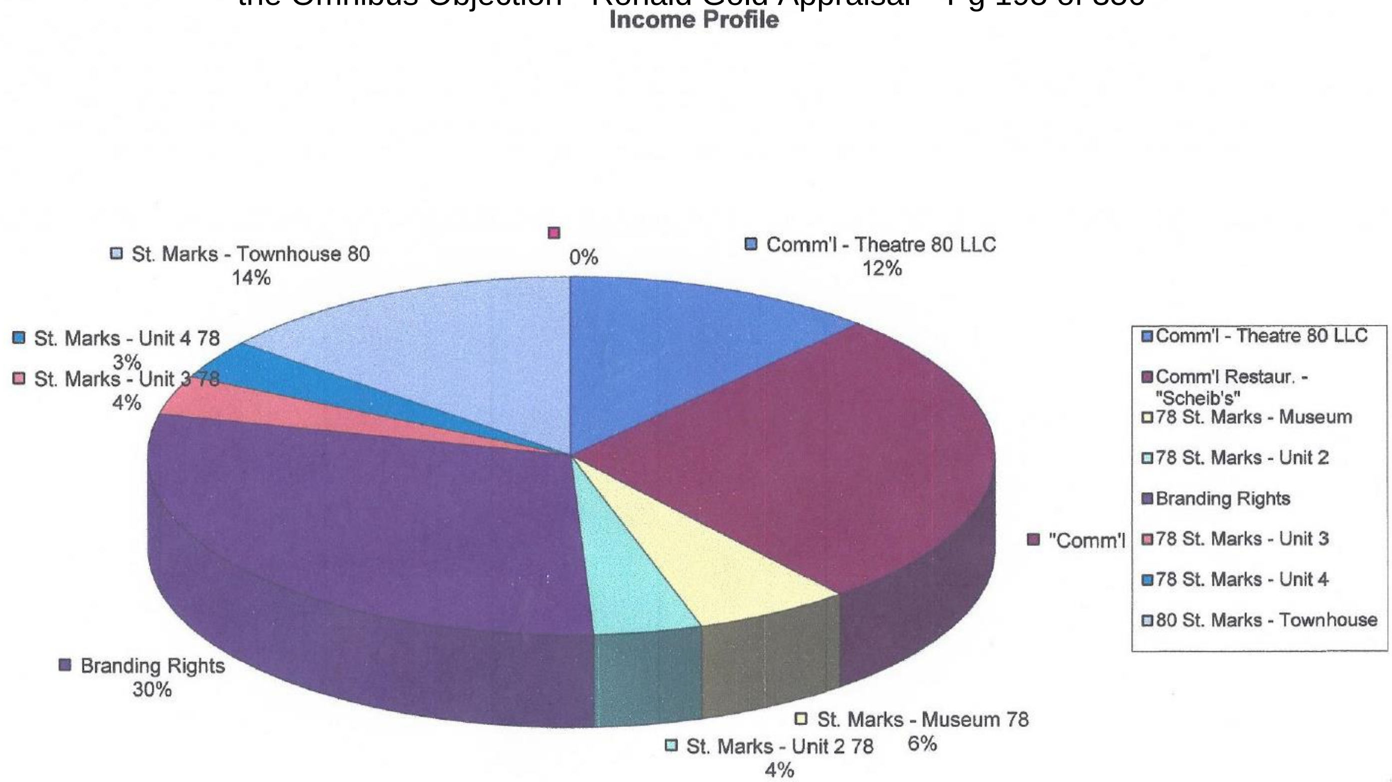
| | | | | | | |
|---|---|---|---|---|---|---|
| 1.25 | x | 50.0% | x | 0.07984 | = | 0.04990 |
| | | | | **Capitalization Rate** | = | **4.99%** |

| | | | | |
|---|---|---|---|---|
| * Mortgage Constant Variables: | Rate: | **7.00%** | Term: | **30** |

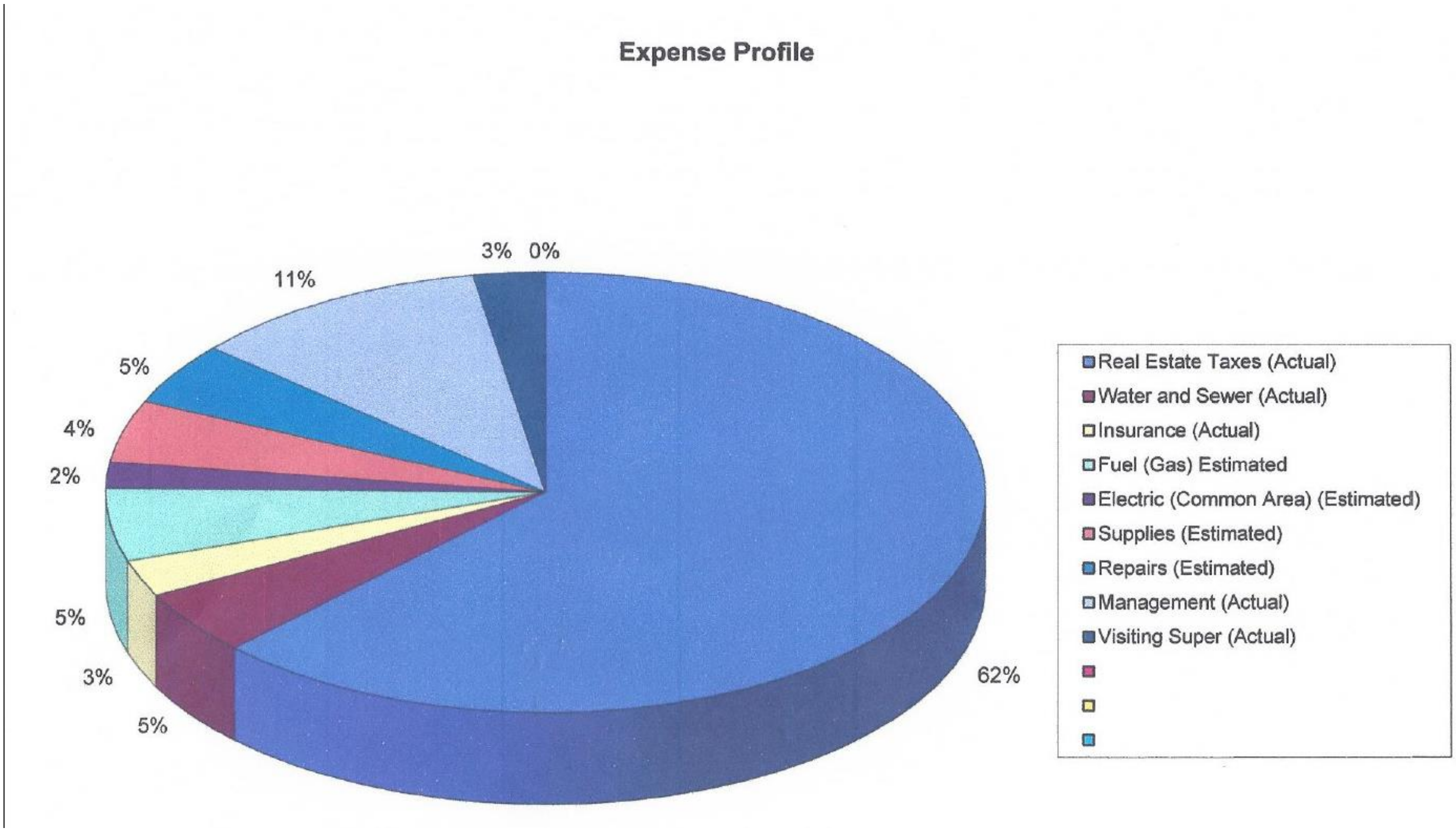
# Tests of Reasonableness

| **Measure** | | **Notes** |
|---|---|---|
| Net Operating Income | $700,765 | Before debt income from valuation analysis. |
| Debt Service | ($559,465) | Debt service calculated from Mortgage Equity Analysis above and indicated value. |
| Debt Coverage Ratio | 1.25 | This is the amount that NOI exceeds debt. In this case, the ratio is greater than 1.2, which is generally considered reasonable by most lenders, depending on the risk characteristics of the property. |
| Equity Dividend | $141,300<br>2.0% | This is the annual return on the amount invested. The total return may be higher or lower, depending on appreciation and mortgage paydown. In this case, the rate is less than 10%, which may be too low to motivate an investor unless strong appreciation is expected. |

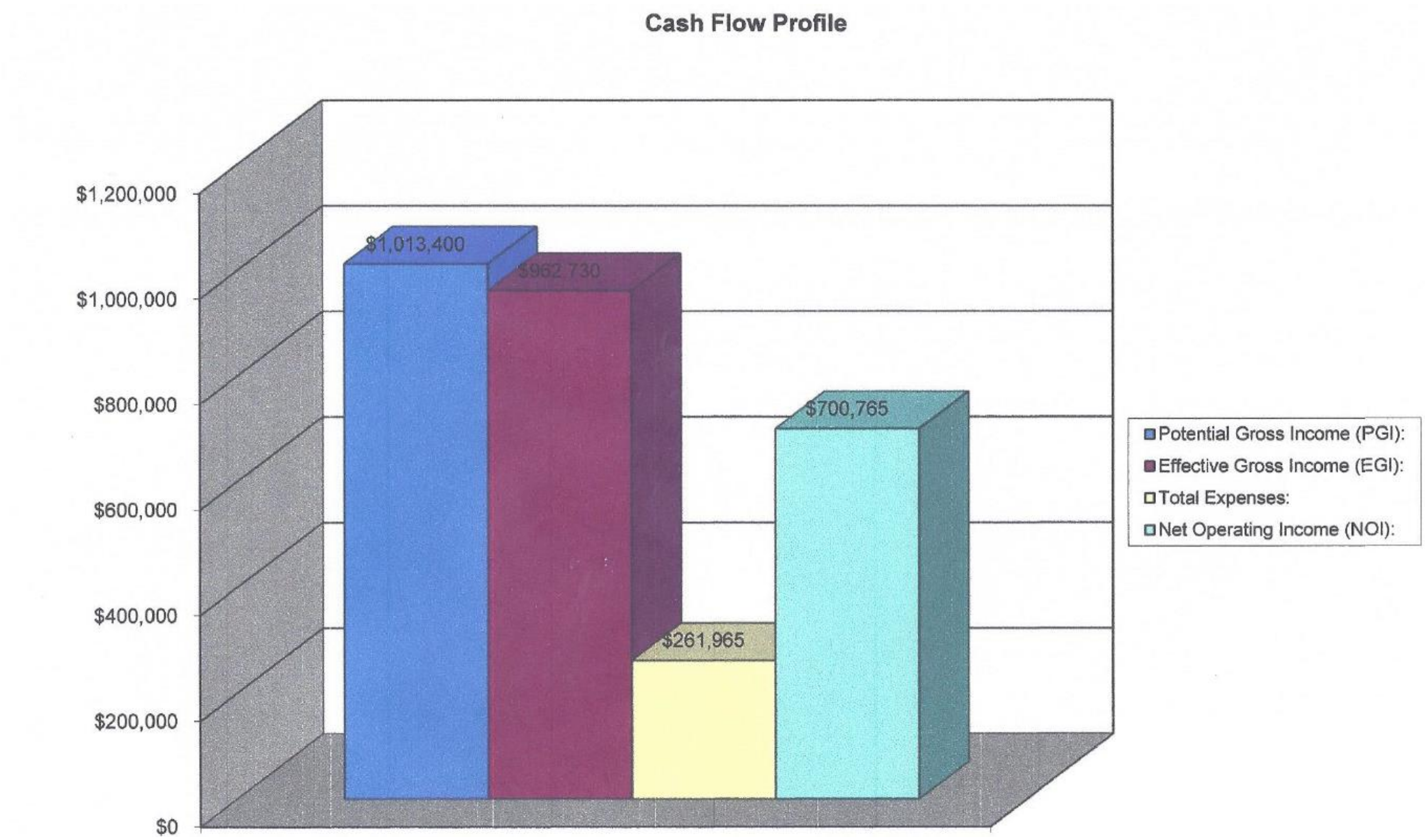
# INCOME PROFILE



# EXPENSE PROFILE



# CASH FLOW PROFILE



The value of income-producing property is a direct function of its earning power. Higher earnings produce greater value. The Income Capitalization Approach is a process of estimating the amount of anticipated future benefits and conversion of these benefits into a lump sum of value at a particular point in time. Value is based on principle of anticipation stated in the definition of value as the present worth of all rights to future benefits accruing ownership.

The Mortgage Equity technique recognized that real estate investors are motivated by opportunities for leverage. It is a synthesis of the rate required to service the debt (mortgage constant) and the rate required to attract investment capital (equity yield rate). The overall capitalization rate reflects the requirements for the lender (mortgage) and the investor (equity dividend).

This technique works well in an economy where income and expense variations are minimized or obligations prescribed by contracts does not vary significantly from market conditions. Since the subject property does generate a positive cash flow, the appraiser has developed the Mortgage-Equity "Band of Investment" technique in order to estimate the Market Value of the subject property via the Income Approach as of the effective date of this appraisal.

The discounted cash flow analysis is an alternative technique to the foregoing method. This process starts with the development of a forecast detailing cash flow projections year by year, or month by month, over a presumed time frame of ownership. The net cash flows are discounted at some required rate of return in order to obtain an indication of present value. With this method, the attempt is made to compensate for time, so that the value of money is properly recognized for the entire cash flow period utilized.

In view of the nature of the subject property, the appraiser has concluded that the Mortgage-Equity technique is appropriate in this instance. Major steps in the Income Capitalization Approach are as follows:

1. Estimated Potential Gross Income. (Appraiser has accepted actual statement).
2. Vacancy and Collection losses likely to incurred during the property's normal operation.
3. Net Operating Income forecast based on expense analysis.
4. Selection of an appropriate capitalization method and rate.
5. Capitalization of the effective net operating income before debt service into an estimated present value.

The capitalization process consists of converting the stabilized net operating income into an estimate of value.

## KEY NUMBERS TO VALUATION CONCLUSIONS IN THE CAPITALIZATION APPROACH

Following are the key numbers utilized and developed by the appraiser and applied in the capitalization of income approach to value:

| | |
|---|---|
| Gross Projected Annual | |
| Gross Income : | $ 1,013,400 |
| Vacancy and Credit Loss (5%): | $ -50,670 |
| Effective Gross Income: | $ 962,730 |
| Stabilized Net Operating Income: | $ 700,765 |
| Loan to Value Ratio: | 50% |
| Projected Loan: | 7% mortgage, 30-year amortization schedule |
| Projected Equity Yield Rate: | 4% |
| Equity Dividend Rate: | 2% |
| Projected Holding Period: | 5 years |
| Debt Service Coverage Ratio: | 1.25 |
| Overall Indicated Capitalization Rate: | 5% (***derived and developed by the appraiser from information on the preceding pages of this appraisal, as well as the appraiser's projection of the subject building, theatre, restaurant and museum income and operating expenses for 2021-2022, as presented in the Client's Pro Formas on the preceding pages)*** |
| **VALUE INDICATED:** | **$14,015,300** |
| **VALUE INDICATED VIA CAPITALIZATION OF INCOME APPROACH:** | **$14,000,000 (ROUNDED)** |

## THE SALES COMPARISON (MARKET DATA) APPROACH

In the **Sales Comparison Approach,** the subject property is compared to similar "C7" and "D7" class Walk-up and Elevator Mixed-Use buildings located in the subject surrounding (20-block radius) East Village and Adjacent West Village neighborhoods area, that have been sold recently or for which contract prices are known.

Data for generally comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property would sell if offered on the market.

In order to estimate the Market Value of the subject property in accordance with the purpose of the assignment, as **of the effective date of value: August 1, 2021,** the appraiser has considered the Sales Comparison Approach and the Capitalization of Income Approach BOTH reliable indicators of value, in accordance with the purpose of this assignment.

The subject building is in overall Average to Above Average condition throughout. The subject property is situated in an above average location on St. Marks Place in The East Village, a noted historic and commercial thoroughfare. It is situated 2 blocks east of Cooper Square and the Astor Place Lexington Avenue IRT local subway stop.

The appraiser has conducted an extensive survey of recent calendar year 2020 sales of similar-type Walk-up "C7" class buildings in the East Village, Lower East Side, West Village and Chelsea neighborhoods subject surrounding area, within a 30-block radius of the subject building.

All of the sales transactions analyzed occurred within the 18-month period prior to the effective date of value this report: **August 1, 2021.**

Adjustments for date of sale have been made for sales during the SLIGHTLY INFERIOR ***(+5% Adjustment***) 2020 PRE-LOCKDOWN PERIOD (January through March, 2020), the INFERIOR ***(+10% Adjustment***) 2020 COVID LOCKDOWN PRE-VACCINE APPROVAL PERIOD (April through October, 2020). NO ADJUSTMENTS have been made for calendar year 2021 sales.

All of the comparable sales are of "C7"and "D7" class walk-up and elevator mixed-use 5- and 6 and 7-story properties. 1 of the comparable sales is smaller in size as compared to the subject ***(-10% adjustment***), with the remaining 5 sales similar in size as compared to the subject. All of the comparable sales range in size between 7,020 and 20,900 sq.ft. of usable interior area above grade. The appraiser notes that Price per sq.ft. tends to INCREASE as sq.ft. area DECREASES, below 8,000 sq.ft., in this case.

All 6 of the comparable sales are observed to be in similar condition as compared to the subject property. All of the sales are located in similar type locations in the East and West Village neighborhoods of Lower Manhattan. The results of the investigation are found on the following pages.

**COMPARATIVE 2020-2021 "C7" AND "D7" Class MIXED-USE East Village and Adjacent West Village Neighborhoods**
**SALES ANALYSIS**

| ADDRESS | DESCRIPTION | PURCH. PRICE | PRICE/ SQ.FT. | DATE OF SALE |
|---|---|---|---|---|

**SUBJECT**
**78-80 St. Marks Place**

*(Between 1st and 2nd Avenues)*
*(St. Marks extends East from*
*West 8th Street In the West Village)*

14,400 Sq.Ft. Gross Building Area Above Grade
Above Average East Village Location
5-Story + Cellar "C7" class Mixed-Use Walk-up building
Average to Above Average Partially Renovated condition throughout
Ground Floor Bar and 74-Seat Cabaret Style Theatre
2 Upper Floor Commercial Spaces / Several Residential Apts.

**2020 COMPARABLE "C7" Class Walk-up Building SALES**

| | | | | |
|---|---|---|---|---|
| **1. 205 Avenue A** | | **$14,350,000** | **$1,436** | **May, 2021** |

*(Between 12th and 13th Streets)*
*(4 blocks northeast of Subject)*

Recent May, 2021 Sale
Similar Type 6-Story "C7" Class Walk-up Mixed Use Building
Similar Location
9,992 Sq. Ft. Gross Building Area
Similar in Size
Similar Observed Condition ***(No Condition Adjustment)***

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $1,436***

**COMPARATIVE 2020-2021 "C7" and "D7" Class MIXED-USE East Village and Adjacent West Village Neighborhoods SALES ANALYSIS**

| ADDRESS | DESCRIPTION | PURCH. PRICE | PRICE/ SQ.FT. | DATE OF SALE |
|---|---|---|---|---|

**COMPARABLE "C7" Class Walk-up and "D7" Class Elevator 2020 Sales**

**2. 94 St. Marks Place** **$8,500,000** **$1,211** **August, 2020**

*(Between 1st Avenue and Avenue A)*
*(1 Block East of Subject)*
*Similar EAST VILLAGE location*

**INFERIOR COFID-19 LOCKDOWN PERIOD**
**August, 2020 Sale *(+10% Date of Dale Adjustment*)**
Similar Type East Village Location
7,020 Sq. Ft. Gross Building Area
***-10% Size Adjustment***
***(Price per sq.ft. tends to increase as sq.ft. area above grade Decreases, below 8,000 sq.ft. in this case)***
5-Story "C7" class Walk-up Mixed-Use Building
Similar Observed Condition

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $1,211***

**3. 109 Avenue A** **$20,750,000** **$1,251** **February, 2020**

*(Corner of East 7th Street and Avenue A )*
*(1 block Southeast of Subject)*
*(Similar LOWER EAST SIDE location)*

**SLIGHTLY INFERIOR PRE-LOCKDOWN PERIOD**
**February, 2020 Sale *(+5% Date of Sale Adjustment)***
Similar LOWER EAST SIDE Location
16,581 Sq. Ft. Gross Building Area
7-Story Mixed-Use Elevator D7 Class Building
**SUPERIOR ELEVATOR BUILDING: -5% Elevator Adjustment**
Similar Observed Condition

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $1,251***

**COMPARATIVE 2020-2021 "C7" and "D7" Class MIXED-USE East Village and Adjacent West Village Neighborhoods**
**SALES ANALYSIS**

| ADDRESS | DESCRIPTION | PURCH. PRICE | PRICE/ SQ.FT. | DATE OF SALE |
|---|---|---|---|---|

**COMPARABLE "C7" Class Walk-up 2021 Sales**

| | | | | |
|---|---|---|---|---|
| **4. 30-32 East 14th Street** | | **$23,500,000** | **$1,124** | **June, 2021** |

*(Between 5th Avenue and University Place)*
*(Similar LOWER EAST SIDE Neighborhood)*
*(9 Blocks Northwest of Subject)*

June, 2021 Recent Sale
Similar East Village Subject Neighborhood
20,900 Sq. Ft. Gross Building Area Above Grade
5Story "C7" class Walk-up Mixed-Use Building
Similar Observed Condition

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $1,124***

| | | | | |
|---|---|---|---|---|
| **5. 34-36 Carmine Street** | | **$9,400,000** | **$877** | **June, 2021** |

*(Near Bleecker and Carmine Street)*
*(Similar West Village Location)*
*(18 Blocks West of Subject)*

Recent June, 2021 Date of Sale
Similar Type West Village Location
10,720 Sq. Ft. Gross Building Area
5-Story "C7" class Mixed-Use Walk-up Apt. Building
Similar Observed Condition

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $877***

**COMPARATIVE 2020-2021 "C7" and "D7" Class MIXED-USE East Village and Adjacent West Village Neighborhoods SALES ANALYSIS**

| ADDRESS | DESCRIPTION | PURCH. PRICE | PRICE/ SQ.FT. | DATE OF SALE |
|---|---|---|---|---|

**COMPARABLE "C7" MIXED-USE Class Walk-up 5- and 6- Story 2021 Sales**

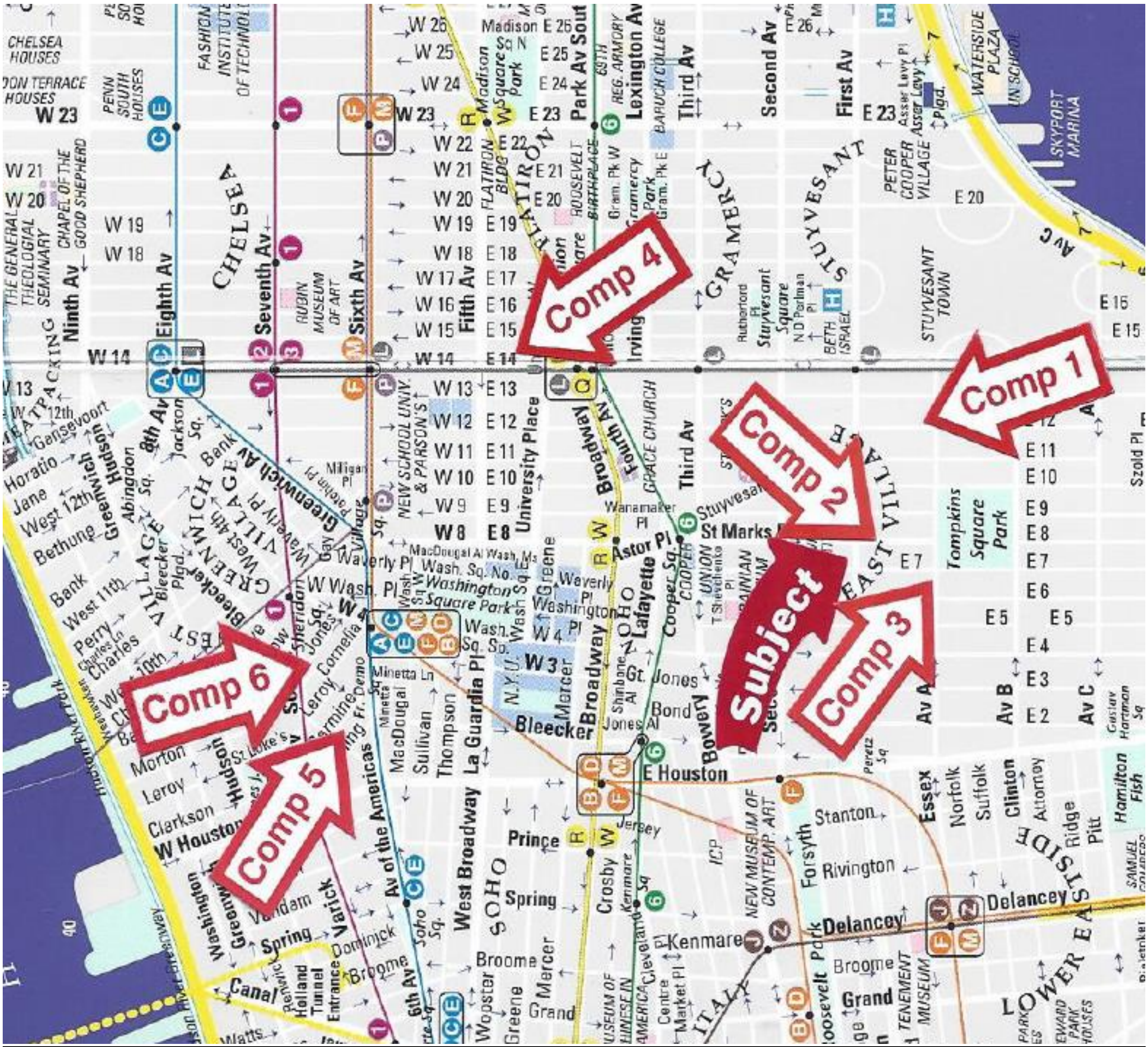
| | | | | |
|---|---|---|---|---|
| **6. 287 Bleecker Street** | | **$10,000,000** | **$1,194** | **May 10, 2021** |

*(Just 50' East of Seventh Avenue)*
*(Near Sheridan Square)*
*(Similar West Village Location)*
*(20 Blocks West of the Subject)*

Recent May, 2021 Sale
SIMILAR WEST VILLAGE Location
8,375 Sq. Ft. Gross Building Area
5-Story "C7" class Walk-up Mixed-Use Building
Similar Observed Condition

***TOTAL ADJUSTMENTS: 0%***
***ADJUSTED PRICE PER SQ.FT.: $1,194***

## COMPARATIVE BUILDING SALES MAP



**COMPARABLE SALE # 1**

| | |
|---|---|
| **Address:** | 205 Avenue A |
| **Block:** | 440 |
| **Lot:** | 33 |
| **Plot Size:** | 25' X 100' = 2,500 sq.ft. (NYC Public Records) |
| **Improvements:** | 26' X 60' X 6 = 9,992 square feet (NYC public records) |
| **Building Area** **Gross Building Area :** | 9,992 Square Feet |
| **Sale Price:** | $ 14,350,000 |
| **Date of Sale:** | January 15, 2020 |
| **Price per SQ.FT. of Building** **Gross Building Area :** | $ 1,436 |
| **Comments:** | **January, 2020 Sale (Slightly Inferior PRE-LOCKDOWN)**<br>Similar Observed Condition<br>Similar East Village Location<br>6-Story "C7" Class Mixed-Use Building |

**PHOTOS OF COMPARABLE SALE # 1**

**COMPARABLE SALE # 2**

| | |
|---|---|
| **Address:** | 94 St. Marks Place |
| **Block:** | 435 |
| **Lot:** | 11 |
| **Plot Size:** | 25' X 73' = 1,825 sq.ft. (NYC Public Records) |
| **Improvements:** | 25' X 48' X 5 = 7,020 Gross Building Area Above Grade (NYC Public Records) |
| **Building Area Gross Building Area :** | 7,020 sq.ft. (NYC Public Records) |
| **Sale Price:** | $ 8,500,000 |
| **Date of Sale:** | August 21, 2020 |
| **Price per SQ.FT. of Building Gross Building Area :** | $1,211 |

**Comments:**

**August 2020 Sale (INFERIOR COVID-19 LOCKDOWN PERIOD)**
Similar Observed Condition
Smaller in Size as Compared to Subjcct
Similar East Village Location
5-Story "C7" Class Mixed-Use Building

**PHOTOS OF COMP BUILDING SALE # 2 – 94 ST. MARKS PLACE**


**COMPARABLE SALE # 3**

| | |
|---|---|
| **Address:** | 109 Avenue A |
| **Block:** | 434 |
| **Lot:** | 29 |
| **Plot Size:** | 22.22' X 100' = 2,292 sq.ft. (NYC PUBLIC RECORDS) |
| **Improvements:** | 23' x 98' x 7 = 15,778 SQ.FT. Gross Building Area (NYC PUBLIC RECORDS) |
| **Building Area Gross Building Area :** | 15,778 Sq.Ft. (NYC Public Records) |
| **Sale Price:** | $20,750,000 |
| **Date of Sale:** | February 28, 2020 |
| **Price per SQ.FT. of Building Gross Building Area :** | $ 1,251 |
| **Comments:** | **February, 2020 Sale - +5% Time Adjustment (SLIGHTLY INFERIOR PRE-LOCKDOWN)**<br>Similar Observed Condition<br>Similar East Village Location<br>**SUPERIOR Elevator:**<br>**-10% Elevator Adjustment**<br>7- Story "D7" Class Elevator Mixed-Use Building |

**PHOTOS OF COMPARABLE SALE # 3**

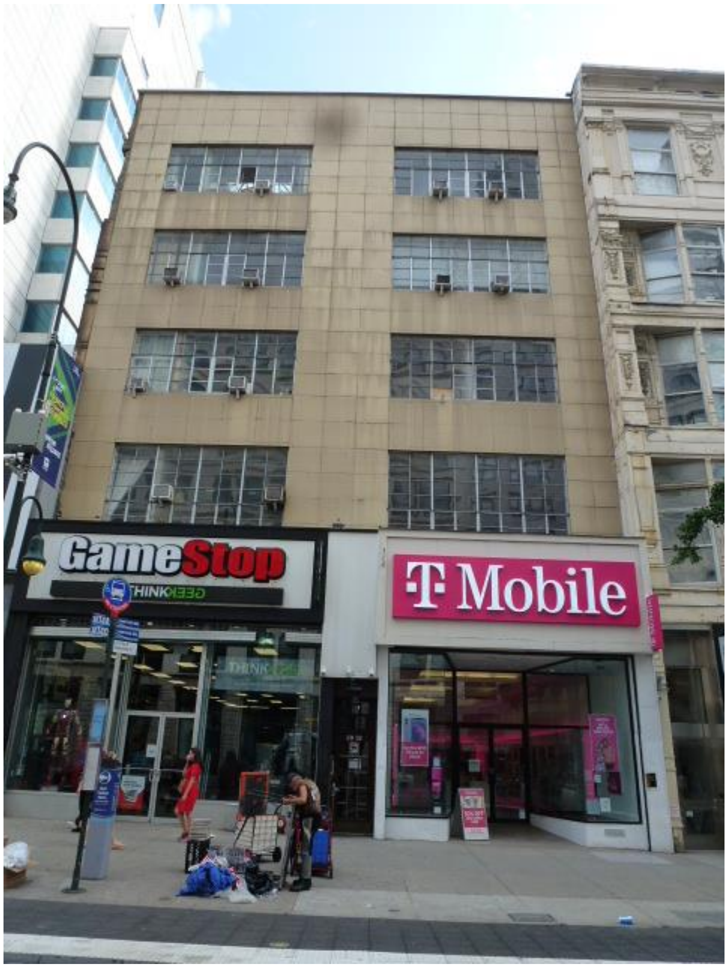

109
Miss
LILY'
MISS LILY'S
MELVINS JUICE BOX
RU


LILY'S
MISS LILY'S
MELVINS JUICE BOX
MUS
LILY'S

COMPARABLE SALE # 4

| | |
|---|---|
| Address: | 30-32 East 14th Street |
| Block: | 571 |
| Lot: | 18 |
| Plot Size: | 50' X 103' = 1,416 sq.ft. |
| Improvements: | 50' X 103' X 5 = 20,900 square feet (NYC public records) |
| Gross Building Area : | 20,900 sq.ft. (NYC Public Records) |
| Sale Price: | $23,500,000 |
| Date of Sale: | June 16, 2021 |
| Price per SQ.FT. of Building Gross Building Area : | $ 1,124 |
| Comments: | Recent June, 2021 Sale<br>Similar Observed Condition<br>Similar Type Union Square East Village Location<br>5-Story "C7" Class Mixed-Use Building |

**PHOTOS OF COMPARABLE SALE # 4 – 30-32 East 14th Street**




**BUILDING SALE # 5**

| | |
|---|---|
| **Address:** | 34-36 Carmine Street |
| **Block:** | 525 |
| **Lot:** | 32 |
| **Plot Size:** | 39' X 70' = 2,600 sq.ft. (NYC public records) |
| **Improvements:** | 39' X 60' X 5 = 10,720 sq.ft. (NYC public records) |
| **Gross Building Area :** | 10,720 sq.ft. (NYC Public Records) |
| **Sale Price:** | $9,400,000 |
| **Date of Sale:** | June 3, 2021 |
| **Price per SQ.FT. of Building Gross Building Area :** | $ 874 |
| **Comments:** | **Recent June, 2021 Sale**<br>Similar Observed Condition<br>Similar West Village Location<br>Similar in Size<br>5-Story "C7" Class Mixed-Use Building |

**PHOTOS OF COMP BUILDING SALE # 5 – 34-46 Carmine Street**



UNOPPRESSIVE
NON-IMPERIALIST
BARGAIN
BOOKS
NEPAL CRAFTS


UNOPPRESSIVE
NON-IMPERIALIST
BARGAIN
BOOKS

**COMPARABLE SALE # 6**

| | |
|---|---|
| **Address:** | 287 Bleecker Street |
| **Block:** | 590 |
| **Lots:** | 52 |
| **Plot Size:** | 24' X 75' = 1,800 sq.ft. |
| **Improvements:** | 25' X 66' X 5 = 8,375 square feet (NYC public records) |
| **Gross Building Area :** | 8,375 sq.ft. (NYC Public Records) |
| **Sale Price:** | $10,000,000 |
| **Date of Sale:** | December 21, 2020 |
| **Price per SQ.FT. of Building Gross Building Area :** | $ 685 |
| **Comments:** | **Recent December, 2020 Sale**<br>**(SIMILAR POST COVID VACCINE APPROVAL PERIOD)**<br>Similar Observed Condition<br>Markedly Larger in Size<br>Similar West Village Location<br>6-Story "C7" Class Mixed-Use Building |

**PHOTO OF COMP SALE # 6 – 287 Bleecker Street – 50' East of 7th Avenue South**

## MARKET DATA (SALES COMPARISON) APPROACH VALUATION ANALYSIS

The appraiser has utilized 6 (six) calendar year 2020 and 2021 "C7" and "D7" Class Walk-up and Elevator Buildings in the subject area, within a 20-block radius of the subject property. All 6 sales utilized occurred within the 18-month period prior to the August 1, 2021 Effective Date of Value. Adjustments are made based **on 1.) TIME (date of sale); and 2.) SIZE (interior area bove grade).** All of the comparable sales are of "C7" and "D7" class walk-up and elevator mixed-use 5- and 6- 7-story properties. All of the comparable sales range in size between 7,020 and 33,220 sq.ft. of usable interior area above grade. The appraiser notes that Price per sq.ft. tends to INCREASE as sq.ft. area DECREASES, below 8,000 sq.ft., in this case.

**Time Adjustments:** All sales occurred between February, 2020 and June, 2021. However, due to the negative effects of THE COVID-19 PANDEMIC . . .sales before March, 2020 were given ***a +5% Adjustment*** due to the SLIGHTLY INFERIOR TIME PERIOD BEFORE LOCKDOWN. Sales occurring between March and November, 2020 have been adjusted **by *+10% Adjustment for COVID-19 LOCKDOWN PERIOD.*** Sales s occurring in 2021 WERE NOT adjusted for Time, due to COVID-19 VACCINE APPROVAL.

**Size Adjustments: 1 *-10% adjustment* for size (**less than 8,000 sq.ft. above grade . . . Comparable Sale #2, 7,020 sq.ft.). All sales contain between 7,020 and 22,000 sq.ft. above grade.

**Observed Condition Adjustments: NONE.** The appraiser notes that all 6 comparable sales in observed to be in similar observed above average partially renovated condition as compared to the subject. No condition adjustments.

In examining the comparable sales, the indicated ***ACTUAL*** price per square foot ranges from **a low of $877 per square foot** (Comparable Sale #6) to **a high of $1,436 per square foot** (Comparable Sale #1 **)**. The indicated ***ADJUSTED*** price per sq.ft. ranges from **a low of $877 per square foot** (Comparable Sale #5) to **a high of $1,436 per square foot** (Comparable Sale #1) of usable interior building area above grade.

The appraiser is of the opinion that the market for "C7" class Walk-up buildings in the East and West Village neighborhoods, within a 20-block radius of the subject, has been on a strong and upward trend since January 1, 2021. This strong upward trend should continue through the remainder of calendar year 2021.

After careful consideration of the six (6) comparable sales of "C7" and "D7" class Walk-up and Elevator buildings in the subject surrounding 20-block radius in the subject East and West Village neighborhoods, the subject's overall Average to Above Average condition, its 5-year old replaced roofs and 10-year upgraded gas-fired boiler, and its above average location along St. Marks Place, two blocks east of the Lexington Avenue IRT local Astor Place subway station, the appraiser has developed an opinion of value of the subject property via the Market Sales Comparison Approach slightly below the midpoint of the **Adjusted** Price per Square Foot Range, or **$1,100 per square foot** of interior usable Gross Building Area above grade, as follows:

| | |
|---|---|
| 14,400 sq.ft. X $1,100 per square foot = | **$ 15,840,000** |

| | |
|---|---|
| **Opinion of value indicated via the** | |
| **Market Sales Comparison Approach** | **$ 15,840,000** |

## CONCLUSIONS OF VALUE

The generally accepted method of obtaining the Market Value of a parcel of property is by the use of the three approaches to value. These approaches are the Cost Approach, the Income Capitalization Approach and the Sale Comparison Approach (Market Data Approach) to value. The value indicated by each approach is carefully considered in attaining the estimate of value of the subject property.

The appraiser has considered subject property's short-term residential tenancies, the present R7A Zoning (*within a C1-5 commercial overlay*), its location on St. Marks Place, *2 blocks east of the Astor Place Lexington Avenue IRT local subway station),* the subject's present observed partially renovated/upgraded Average to Above Average condition, the owner-managed Bar and Theatre on the GROUND FLOOR level and the 2 Commercial Spaces on the second and third floors of 78 St. Marks Place.

The appraiser is of the opinion that the highest and best use of the subject property is **as its present use.**

The method of the **Income Approach** is to analyze the income stream of the subject walk-up type building and then to capitalize the Net Operating Income (NOI) into an estimate of Market Value.

**The Capitalization of Income Approach** was considered. The client reports that there are no long-term leases or tenancies to outside parties. The owner manages all of the "basement/ground floor and Cellar commercial spaces, as well as 2 upper floor spaces in 78 St. Marks Place. In addition, are two short-term residential leases (at 78 St. Marks Place) in effect. There are reported Owner controlled commercial leases for the "Ground Floor Theatre and Restaurant and 2nd Floor 78 St. Marks Place Museum" and on-going enterprises at the subject property. In addition, there is an up-coming "branding opportunity" to name the building which has been presented to the Owner/Client. (See pages 134-135 of this report).

The subject building is owner-occupied, with the Owner/Client occupying the Residential Triplex Apartment in 80 St. Marks Place.

The Owner/Client has supplied (and signed and dated) projected calendar year 2021 rental data to the appraiser. Owner/client has supplied annual projected and "Pro Forma" 2021-2022 expense figures to the appraiser, as well as a listing of all repairs made to the subject property building-wide for 2020 and 2021 to date. The NY State Brokerage "Lee & Associates" has supplied current spring 2021 Rental Comparables of 1- and 2-Bedroom apartment rentals in the immediate East Village subject area (See page 163 of this report). Therefore, the Capitalization of Net Income Approach has been utilized in this appraisal.

The appraiser requested calendar year 2020 Income and Operating Expenses for the subject building. The appraiser accepted most of the Income and Operating Expenses, and modified a few. Included in the projected 2021 income statement is a "Branding" offer on the subject building, with a summary report included, which can bring in an annual income. This "Branding' offer can be found on pages 134-135 of this report.

The appraiser capitalized the Projected Stabilized Income and Operating Expenses and capitalized the "Net Operating Inocme of $700,765 at at capitalization rate of 5%" This resulted in a developed opinion of Capitalized Value via the Income Approach at **$14,015,300 , which has been rounded to $14,000,000.**

In the **Cost Approach**, an estimated reproduction or replacement cost of the building and land improvements as of the date of the appraisal is developed, together with an estimate of the losses in value that have taken place due to wear and tear, design and plan, or neighborhood influences. To the depreciated building cost estimate is added the estimated value of the land. The total represents the value indicated by the Cost Approach.

**The Cost Approach was Considered**. However, in this case, the cost approach was not utilized due to the inherent difficulty in measuring the overall functional obsolescence (*lack of central-fired cooling on floors 2 through 5, mid-19th Century design and plan, the subject property's partially renovated/upgraded overall average to above average condition, etc. )* and the difficulty in measuring accrued physical depreciation in buildings of this age (150+ years).

In this analysis, all three approaches to valuation were carefully considered by the appraiser. The **Sales Comparison Approach (Market Data Approach) and the Capitalization of Income Approach** have both been deemed by the appraiser to be appropriate methods in estimating the Market Value of the subject building in accordance with the purpose of this assignment. However, the appraiser notes that the subject income figures are PROJECTIONS for 2021-2022, and have therefore been given less weight in this overall analysis, due to the negative effects of THE COVID-19 PANDEMIC during the period March to November, 2000, which had a marked negative effect on the subject building, the subject East Village neighborhood, and the entire City of New York.

In the **Sales Comparison Approach,** the subject property is compared to similar properties that have been sold recently or for which "contract" prices are known. Data for generally comparable properties are used, and comparisons are made to demonstrate a probable price at which the subject property should sell if offered on the market. In this analysis, the appraiser utilized 6 (six) 5- and 6- and 7-story Walk-up and Elevator calendar year 2020 and 2021 "C7" and "D7" class property transactions, all located within a 20-block radius of the subject. All of the sales are located in the subject East Village and adjacent West Village neighborhoods. Adjustments have been made regarding date of sale and size and elevator. All sales transactions analyzed occurred within the 18-month period prior to the Effective Date of Value, August 1, 2021. After adjusting for date of sale and size and elevator for the subject 6 comparable sales, the appraiser has developed an opinion of value, via the Sales Comparison Approach, at $1,100 per sq.ft. of Gross Building Area above grade, indicating the following conclusion:

**COMPARABLE SALES APPROACH:** **$15,840,000 (ROUNDED)**

The method of the **Capitalization of Income Approach** is to analyze the income stream of the subject walk-up type building and then to capitalize the Net Operating Income (NOI) into an estimate of Market Value. The appraiser has deemed the CAPITALIZATION OF INCOME APPROACH to be a reliable indicator of value.

The subject Ground Floor owner-occupied businesses, with a Commercial Restaurant and Bar ("Scheib's), including outdoor St. Marks Place 49-seat occupancy, approved by NYC DOT) in place. The The Owner/Client operates the renovated 74-seat Cabaret Style Theatre, with dining facilities. The appraiser has accepted the Owner/Client's income projection for 2021, taking into account the negative effects of the recent 2020 COVID-19 PANDEMIC, its lingering 2021 limited negative effects, and the current strong upward trend for the subject immediate area,including the LIFTING OF ALL LOCKDOWN RESTRICTIONS FOR the restaurant and bar, the approval and distribution of 3 FDA approved COVID-19 Vaccines, and projected public and private elementary, secondary, undergraduate and graduate school openings in the immediate subject area presently , including NYU, THE NEW SCHOOL, and COOPER UNION, all in the immediate subject surrounding area.

The owner/client also resides in a Triplex 80 St. Marks Place apartment. The reported rent for this Triplex has been estimated by the Owner/Client at $12,000 per month for the Triplex, with non-exclusive rights to use the extensive Back Yard, which has been accepted by the appraiser.

Income for these spaces was reported by the Owner/Client and has been accepted by the appraiser. There are also "BRANDING RIGHTS" which have been reported by the Owner/Client. The appraiser has accepted the "low point" $300,000 figure reported by the Owner/Client. The appraiser has developed a **stabilized Net Operating Income (NOI) of $700,765** ***(including a 5% Vacancy Credit/Loss Factor)*****, which has been capitalized utilizing a 5% cap rat**e and this approach, indicating the following conclusion:

**CAPITALIZATION OF INCOME APPROACH: $ 14,000,000 ESTIMATED (ROUNDED)**

## RECONCILIATION:

The appraiser has developed an opinion of the total subject building value RECONCILED, utilizing the COMPARABLE SALES APPRAOCH AND THE CAPITALIZATION OF INCOME APPROACH, TO BE $15,000,000. Due to the strong upward trend for the East Village and adjacent West Village general subject area for Mixed-Use C7 and D7 walk-up and elevator buildings the appraiser has given equal weight to the two approaches.

After careful consideration of the six (6) calendar year 2020 and 2021 "C7" and "D7" class comparable 5- and 6- and 7-story walk-up and elevator sales in the subject East Village and adjacent West Village neighborhoods within a 20-block radius of the subject, the projected strong and upward trend for Walk-up "C7" class buildings in the East Village, the subject property's overall average to above average partially renovated condition, its above average location on St. Marks Place, 2 blocks east of Cooper Square and the Lexington Avenue local IRT subway station, its reported 2018 replaced roofs and 10-year old upgraded gas-fired boiler, its 2020-2021 upgraded electric service (circuit breaker boxes, rigid conduit wiring, etc.) and HVAC cooling/compressor replacements for the Ground Floor and Cellar, and elimination of all NY State lockdowns for subject area restaurant and bar use, (except Theatre Use, which will be allowed again shortly in September, 2021), its owner-managed commercial spaces and short-term residential tenancies, the appraiser has developed an opinion that as of August 1, 2021, Market Value of the fee simple interest in 78-80 St. Marks Place, "As Is," is:

**FIFTEEN MILLION ($ 15,000,000) DOLLARS**

RONALD M. GOLD, ASA, MRICS
NY State Certified General Real Estate Appraiser
License #: 46000000713

# ***Certification***

**I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF:**

The facts and data reported in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

I **have performed** as an appraiser regarding the subject property **within the three-year period immediately** preceding this assignment. ***I appraised the subject property in March, 2021 for mortgage financing purposes.***

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this appraisal report was prepared, in conformity with the ***Uniform Standards of Professional Appraisal Practice*** and the Principles of Appraisal Practice and Code of Ethics and Standards of the American Society of Appraisers.

The American Society of Appraisers has a mandatory recertification program for all of its Senior members. I am in compliance with that program.

I have made a personal inspection of the property that is the subject of this appraisal report.

No one provided significant real property appraisal assistance to the person signing this certification.

RONALD M. GOLD, ASA
NY State Certified
General Real Estate Appraiser
Lic.#: 4600000713

SIGNATURE

**August 5, 2021**

DATE

# Ronald M. Gold, ASA, MRICS

*New York State Certified General Real Estate Appraiser, Lic. #:46000000713*

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E-mail: **rongold70@gmail.com** Website: **www.goldappraisal.com**

***US federal CAGE #: 6YB18 • US federal entity: GOLD, RONALD M INC***


## Professional Qualifications

**Ronald M. Gold** has been actively involved in the appraisal of New York City commercial and residential real estate since 1983. Since 1985, Mr. Gold has owned and operated his own real estate appraisal practice. In 1991, he became one of the first 300 appraisers to become Certified in New York State as a General (Commercial & Residential) Real Estate Appraiser. Assignments have ranged from the valuation of Foreign Governmental Consulates and Missions to the UN (Canada, Cyprus, Ukraine, France, Italy, Norway, Namibia, Latvia, and The Bahamas) to loft and garage buildings, small to mid-sized office buildings, single-family townhouses, coop/condo units and low- and hi-rise mixed-use apartment buildings in New York City.

Reports have been prepared for a variety of clients including Goldman Sachs, Pfizer, General Motors, Time-Warner, Procter & Gamble, IBM, Exxon, Mobil, CITICORP and JP Morgan Chase. Reports have also been prepared in connection with matrimonial dispute valuations, insurable value of landmark buildings, estate tax valuations and business dissolution valuation disputes for a variety of law firms, accounting firms, private investors, cooperative and condominium boards, churches of a variety of denominations, the **US Federal District Court, SDNY, New York State Attorney General's Office, the New York State Supreme Court, the New York State Surrogate's Court, the FDIC, The U.S. Bankruptcy Court, the US Treasury Dept., the IRS and other governmental clients.**

Ronald M. Gold has lectured over 10 times at the **CUNY Baruch College Steven Newman Institute** on "Current Events in Real Estate Development" on the graduate and undergraduate levels. He is a New York State Certified instructor for the New York State Real Estate Salespersons' and Brokers' courses. He is a qualified instructor for the Real Estate Board of New York (REBNY) and the Greater Harlem Real Estate Board (GHREB), specializing in presenting courses for NY State Real Estate Brokers' and Salespersons' licensing as well as continuing education and homebuyer education. In 1986, **Mr. Gold became an expert witness for the New York State Attorney General's Office. He has been qualified and has testified at least 35 times as an expert witness before NY State Supreme Court, NY, Westchester, Queens, Kings and Bronx Counties** on matrimonial, estate and insurance damage real property claims cases. Mr. Gold is a Licensed Real Estate Broker in the State of New York. He **organized and co-chaired the first Mock Trial** on Divorce Valuation at the ABCNY in 2007. He presented an **EXPERT WITNESS Seminar** (Live Video Recording) for the ASA in the spring of 2014. He created and presented **"THE AMAZON HQ2 Pullout and Its Effect on NYC"** for the ASA in the spring of 2019. He created and moderated **"DIVORCE VALUATION DIALOGUES – 3 Prominent Manhattan Divorce Attorneys - Matrimonial Dispute War Stories on Valuation in and out of the Courtroom over the last 25 Years"** for the ASA in the fall of 2019.

## Professional Affiliations

- **ASA ("Accredited Senior Appraiser" Designation, American Society of Appraisers (www.appraisers.org)**
- **MRICS Designation ("Member, Royal Institute of Chartered Surveyors")**
- **First Vice President / Instructor - GHREB (Greater Harlem Real Estate Board) 2000-2020**
- **President, NYC ASA Chapter #30, 1999-2000**
- **First Vice President, NYC ASA Chapter #30, 2017-2018**
- **Internal Revenue Service – Independent Contractor – Since 2013 – US FEDERAL CAGE #: 6YB18**
- **Founding Member, REBNY / Upper Manhattan and Bronx Commercial RE Committee (2016-2020)**

# Ronald M. Gold, ASA, MRICS

*Academic Background*

B.S. Degree, 1974, The New School University, New York, New York

**Appraisal Institute**

Attended the AI Seminar: "7-Hour USPAP 2020-2021 Update Course" (February, 2020) - 7 Hours)
Attended the AI Seminar: "Artificial Intelligence and Blockchain for Appraisers Course" (May, 2020 - 4 Hours)
Attended the AI Seminar: "Up Your Appraiser IQ! Course" (June, 2019) - 7 Hours)
Attended the AI Seminar: "7-Hour USPAP 2018-19 Update Course" (February, 2019) - 7 Hours)
Attended the AI Seminar: "Technology and the Real Estate Appraiser" (Sept., 2018) (5 Course Hours)
Attended the AI Seminar: "7-Hour USPAP 2018-2019 Update Course" (December, 2017) (7 Course Hours)
Attended the AI Webinar "Using Spreadsheet Programs in Real Estate Appraisals" (May, 2015) (7 Course Hours)
Attended the AI Course "Complex Litigation Appraisal Case Studies" (April, 2015) (7 Course Hours)

**ASA (American Society of Appraisers)**

Attended the ASA July, 2021 Webinar "Valuation of The Estate of Michael Jackson" (2 Hours)
Attended the ASA June, 2021 "Mid-June Atlantic City ZOOM Eastern Regional Conference" (7 Hours)
Attended the ASA 2020 Int'l Virtual Conference, (October, 2020 - 12 Hours)
Attended the ASA NORCAL Chapter Webinar "ABC's of Expert Testimony" (September 2020 – 3.5 Hours)
Attended the ASA Course: "7-Hour USPAP 2020-2021 Update Course" (May, 2020 - 7 Hours)
**Created and Presented "The Amazon HQ2 Pullout and Its Effect on NYC"** (April, 2019) (2 Course Hours)
**Created and Presented "Divorce Valuation Dialogues - War Stories of Matrimonial Disputes in and out of the Courtroom over the Last 25 Years" (November, 2019) (2 Course Hours)**
Attended the 2-Hour ASA Seminar "Valuation of 20th/21st Century Photography" (February, 2019) (2 Course Hours)
Attended the 2-Hour Webinar "Defending the Appraisal Report in Litigation" (January, 2018) (2 Course Hours)
Conducted the 2-Hour Webinar "Reconciliation in Valuation Reports" (October, 2017) (2 Course Hours)
Attended the 2-Hour Webinar "Intellectual Property of the Appraisal Report (December, 2017) (2 Course Hours)
Attended the 2-Hour Webinar "Diminution of Value and Severance Damages" (May, 2015) ( 2 Course Hours)
Attended the ASA Int'l Conference, Boca Raton, FL (September, 2016) (20 Hours)
**Created and Presented "An Expert Prepares"** Seminar for the ASA NYC Chapter (May, 2014) (2 Hours)

***TASA"The ABC's of Expert Witnesses – Best Practices for Setting Up Your Expert Witness Business"***

Attended the Webinar (1 hour) (March, 2020)

***Landmark West***

**Attended the Seminar "Preservation 101" (December, 2016) (7 ½ Hours)**

***NYC CFA (Chartered Financial Analysts)***

**Attended the Seminar "2nd Annual Blockchain Conference" (September, 2018) (5 Hours)**

***RICS (Royal Institute of Chartered Surveyors)***

Attended the RICS 4th Annual **Regional Caribbean Conference**, **Montego Bay, Jamaica (Nov., 2015) (12 Hours)**
Attended the RICS 8th Annual **Regional Caribbean Conference, Bahamas, Paradise Island (Oct., 2019) (12 Hours)**

***B'Nai B'rith Real Estate***

**Lecturer: "The Bear Stearns Building Valuation" (April, 2007) (2 Hours)**
**Lecturer: "The Stuyvesant Town Debt Mess" (February, 2010) (2 Hours)**

***GVSHP _("Greenwich Village Society for Historic Preservation)***

**Attended Seminar: "The Architectural and Cultural Heritage of Greenwich Village" – with Zoning, Fair Housing and Agency Law (May, 2019) (22.5 Hours)**

***Marshall & Swift, On-Line Course with Exams, / NYS Approved Licensing Course***

**Completed and Passed Exams For On-Line "Commercial Cost Approach" (November 3, 2005) (7 Hours)**

# Ronald M. Gold, ASA, MRICS

## *SELECTED Corporate and Governmental CLIENT LIST*

Bankruptcy Court
Surrogates Court – Queens County
NY State Supreme Court – New York County
State of New York (Attorney General's Office)
Time-Warner Communications
AT&T
Bank of America
Barclays PLC
Celanese Corp.
City of New York (ACS) (HPD)
Citigroup
Columbia Pictures
D.E. Shaw & Co.
Dun + Bradstreet
Eli Lilly & Co.
ExxonMobil
General Motors
General Electric
Goldman Sachs
Government of the Bahamas Commonwealth
Government of Canada / Government of Colombia / Government of Cyprus
Government of France / Government of Italy / Government of Latvia
Government of Namibia / Government of Norway / Government of Ukraine
IBM
Internal Revenue Service (IRS)
JP Morgan Chase
Kraft General Foods
Lehman Brothers
MacDonald's Corp.
NY STATE SUPREME COURT
Natexis Banque/BFCE
Philip Morris
Pfizer International
Prudential Relocation Management
Procter & Gamble
Toronto Dominion Bank
U.S. Trust Company of New York
U.S. Veterans Administration
U.S. Federal District Court, SDNY
Walt Disney Corp.
Young & Rubicam

UNIQUE ID NUMBER
46000000713

State of New York
Department of State
**DIVISION OF LICENSING SERVICES**

FOR OFFICE USE ONLY
Control No. 1519783

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE
MO. 10 | DAY 22 | YR. 19

EXPIRATION DATE
MO. 10 | DAY 21 | YR. 21

GOLD RONALD M
C/O RONALD M GOLD INC.
190 RIVERSIDE DRIVE
NEW YORK, NY 10024

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.
ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

---

UNIQUE ID NUMBER
46000000713

State of New York
Department of State
**DIVISION OF LICENSING SERVICES**

FOR OFFICE USE ONLY
Control No. 1544303

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE
MO. 10 | DAY 22 | YR. 21

EXPIRATION DATE
MO. 10 | DAY 21 | YR. 23

GOLD RONALD M
C/O RONALD M GOLD INC
190 RIVERSIDE DRIVE
NEW YORK, NY 10024

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.
ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

DOS USE ONLY

Control No. 1813304

21094-16

State of New York

**Department of State**

**DIVISION OF LICENSING SERVICES**

UNIQUE ID NUMBER

35G00456058

Be it known that, pursuant to the provisions of Article 12A of the Real Property Law

GOLD RONALD M
190 RIVERSIDE DR
NEW YORK NY 10024

EFFECTIVE DATE

| MO. | DAY | YR. |
| --- | --- | --- |
| 07 | 01 | 2021 |

EXPIRATION DATE

| MO. | DAY | YR. |
| --- | --- | --- |
| 06 | 30 | 2023 |

HAS BEEN DULY LICENSED TO TRANSACT BUSINESS AS A REAL ESTATE BROKER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

ROSSANA ROSADO
SECRETARY OF STATE

DOS-104 (Rev. 4/03)

**NEW YORK STATE**
Unified Court System
OFFICE OF COURT ADMINISTRATION
APPOINTMENT PROCESSING UNIT

## UCS-870 APPLICATION RECEIPT

12/11/2019 Application ID: 9274321

**Fiduciary ID Number (FID #):** 452169
**Eligibility Period:** 12/11/2019 **to** 02/09/2022

**Personal Information:**

**Name:** GOLD, RONALD MARC

This will acknowledge receipt of your Application for Appointment (UCS-870) pursuant to Part 36 of the Rules of the Chief Judge. You now appear on the list(s) of individuals eligible to receive appointments.

- Your **FIDUCIARY ID NUMBER (FID # 452169)** will be utilized to track appointments you may receive pursuant to Part 36.
- Your eligibility period is listed above. You will be required to re-register every two years. You will receive an email notifying you to re-register by signing into your Fiduciary Online account 60 days before the end of your eligibility period.
- If you applied for a category that is not on your receipt, please contact us.

NOTE: If you applied for approval to serve in either the Attorney for the Child or Court Examiner category, we will seek verification from the appropriate Appellate Division that you have been certified by them to serve for those appointments. Consequently, this receipt may acknowledge your eligibility to serve in other Part 36 categories prior to being approved to serve as an Attorney for the Child or Court Examiner.

Your application lists your addresses as follows:

**BUSINESS INFORMATION:**

*Address:* RONALD M. GOLD, INC.
190 Riverside Dr
New York, NY 10024-1008

*Phone:* 212-662-3500
*Email:* rongold70@gmail.com

**CONTACT INFORMATION:** *(to which all correspondences are sent)*

*Address:* RONALD M. GOLD, INC.
190 Riverside Dr
New York, NY 10024-1008

*Phone:* 212-662-3500
*Email:* rongold70@gmail.com

**COUNTIES IN WHICH YOU ARE AVAILABLE FOR APPOINTMENT:**

| | | | |
|---|---|---|---|
| Bronx | Kings | Nassau | New York |
| Queens | Suffolk | Westchester | |

**CATEGORIES IN WHICH YOU ARE ELIGIBLE TO SERVE:**

| | |
|---|---|
| Appraiser | Real Estate Broker |

Please review the above information for accuracy. Refer to the following instructions on how to make changes to your application:

**Business or Contact Information Changes -** You can update and make changes to your business and contact information at any time using Fiduciary Online. After signing into Fiduciary Online, click on the Personal Information link under the Manage section found on the left navigation menu.

**County or Category of Appointment Changes -** You can amend your categories and/or counties of appointment at any time using Fiduciary Online. After signing into Fiduciary Online, click on the Amendment link under the Forms section found on the left navigation menu.

# Ronald M. Gold, ASA, MRICS

**Following are select cases where RONALD M. GOLD has been qualified as An EXPERT in legal actions, or where reports were prepared for such actions, since 2010:**

**Casa de Meadows, Inc. v. Zaman et al - NY STATE SUPREME COURT**
**Index #: 601685/2007**

**Estate of Sam Podolak v. Ivy Mindek Podolak – NY STATE SUPREME COURT**
**Index #: 2010-3731-I**

**Arcamone-Makinano v. Britton Prop., Inc. - NY STATE SUPREME COURT**
**Index #: 32984/09**

**Baker V. 40 East 80th Street Corp. and Penmark Realty Corp. – NY STATE SUPREME COURT**
**Index #: 603683/03**

**DeVictoria V. DeVictoria – NY STATE SUPREME COURT**
**Index #: 202261/2018**

**In the Matter of Barbara Stanley, An Incapacitated Person – NY STATE SUPREME COURT**
**Index #: 500086/2018**

**Liberty Square Realty Corp. V. Boricua Village housing Development Fund, Inc. et al –**
**US FEDERAL DISTRICT COURT, SOUTHERN DISTRICT, NEW YORK , SDNY**
**Index #: CV-01395**

**Avra Akagi Scher v. Turin HDFC et al.**
**US FEDERAL DISTRICT COURT, SOUTHERN DISTRICT, NEW YORK, SDNY**
**Docket #: 19-CV-02089 (KPW) (OTW)**

**David Driscoll V. 1049 Park Avenue Apartments Corporation - NY STATE SUPREME COURT**
**Index #: 651746/2017**

**Ganci v. Redhead, NY STATE SUPREME COURT**
**Index #: 156560/2016**

American Society of Appraisers
Providing Value Worldwide
New York City Chapter

***APRIL 16, 2019***

Impact of Amazon's Pullout from Long Island City HQ2 on New York City

- Connelly's Pub at 14 East 47th Street, New York, NY 10017
- Tuesday, April 16, 2019
- 6:00pm to 8:00pm

Join us on Tuesday, April 16th at Connolly's from 6pm to 8pm as valuation expert

**Ronald M. Gold, ASA MRICS** will present an analysis of the Amazon HQ2 Pullout in Long Island City.

<u>Presentation Topics</u>

- Introduction and description of the NYC regional area and vehicular and MTA subway access to and from Long Island City and Manhattan
- Description of Long Island City
- Introduction to and the announcement of the the Amazon HQ2 Long Island City choice (November, 2018)
- The projected benefits of the Amazon LI City HQ2 on Long Island City (December, 2018)
- The NYC local political opposition to the Amazon HQ2 deal (November and December, 2018)
- The Bezos divorce (January, 2019)
- The February, 2019 announcement of the Amazon HQ2 pullout in Long Island City
- The aftermath of the pullout and its effect on New York City (February and March, 2019)

<u>About the Presenter</u>

Ronald M. Gold, ASA, MRICS is a NY State Certified General Real Estate Appraiser. He has been appraising NY City residential and commercial real property since 1985. Mr. Gold is a Certified expert witness in valuation with the NY State Supreme Court. He is a certified CAGE US Government Appraiser with the US Treasury Dept., Internal Revenue Service. Mr. Gold has been a member of ASA NYC Chapter #30 since 1989.

American Society of Appraisers

**Providing Value Worldwide**

**New York City Chapter**

## Join us Tuesday, November 19th, for an evening of knowledge and networking!

Join us for a panel discussion with

***William C. Herman, Esq., Barry R. Abbott, Esq., and Jacqueline Newman, Esq.***

Moderated by Ronald M. Gold

*NOTE: Make sure to get your tickets early and take advantage of our $10 early bird discount.*

### When

**Tuesday, November 19, 2019**
6:00 - 8:00 PM EST

### Where

Connolly's Pub
14 East 47th Street
New York, NY 10017

Join us on November 19th at Connolly's from 6pm to 8pm for "Divorce Valuation Dialogues; War Stories of Matrimonial Dispute Valuations in and out of the Courtroom over the last 25 years". We will host a panel discussion with attorneys William C. Herman, Esq., Barry R. Abbott, Esq., and Jacqueline Newman, Esq., which will be moderated by Ronald M. Gold.

Register Today

### Cost

ASA Members - $40
Non-Members - $50
(Less $10 discount for tickets purchased prior to May 21, 2019)

### Visit website

ASANY.COM

**About the Moderator:**

Ronald M. Gold, ASA has been a commercial and residential real appraiser in New York City since 1985. He is an Expert Witness in Real Estate Valuation for the NY State Supreme Court. He is an accredited appraiser for the IRS, the US Bankruptcy Court and the US Tax Court. He has given expert testimony in a variety of matrimonial disputes, insurance damage claims, trusts and estates. He is a Past President and Vice President of the ASA NYC Chapter.

Register Today

## Cost

ASA Members - $40
Non-Members - $50
(Less $10 discount for tickets purchased prior to May 21, 2019)

## Visit website

ASANY.COM

**About the Moderator:**

Ronald M. Gold, ASA has been a commercial and residential real appraiser in New York City since 1985. He is an Expert Witness in Real Estate Valuation for the NY State Supreme Court. He is an accredited appraiser for the IRS, the US Bankruptcy Court and the US Tax Court. He has given expert testimony in a variety of matrimonial disputes, insurance damage claims, trusts and estates. He is a Past President and Vice President of the ASA NYC Chapter.

**About the Panelists:**

William C. Herman is a New York attorney focused on family law issues. Mr. Herman is a graduate of Columbia Law School and received a Super Lawyers Designation from 2006-2019 based on his professional achievements and peer recognition.

Barry R. Abbott is a New York attorney providing legal representation for a variety of different issues. Mr.Abbott is a graduate of Villanova University Law School and received a Super Lawyers Designation from 2015-2019.

Jacqueline Newman is a New York attorney specializing in complex high net worth matrimonial cases and also in negotiating prenuptial agreements. Ms. Newman is also honored to be selected for inclusion in Thompson Reuters New York-Metro Super Lawyers Top 50 Women Attorneys since 2013 and was included in editions of *New York City's Best Lawyers since 2016*.

---

**Admission includes 2 hours of open bar, dinner, dessert, and great networking opportunities.**

**We look forward to seeing you there!**

# RONALD M. GOLD, INC. – US FEDERAL CAGE #: 6YB18

## SAM ACTIVE REGISTRATION –
## November 6, 2019 THROUGH November 5, 2020

***SAM = "SYSTEM for AWARD MANGEMENT"***
***(GSA = General Services Administration, US Federal Agency)***
***SAM System for Award Management***

SAM SM
SYSTEM FOR AWARD MANAGEMENT

Or, check registration status by typing in a CAGE Code.
CAGE Code 6YB18

Gold, Ronald M Inc

## Status: Active

**Your registration was activated on Nov 06, 2019. It expires on Nov 05, 2020 which is one year after you submitted it for processing.**

| Core Data | Assertions | Reps & Certs | POCs | Submit | Processing | Active |
|---|---|---|---|---|---|---|
| Completed | Completed | Completed | Completed | Completed | Completed | Completed |

GSA

ASA
American Society of Appraisers
*Providing Value Worldwide*

The American Society of Appraisers

Attests that

# Ronald M. Gold

**Accredited Senior Appraiser**

has successfully participated in the

**Society's mandatory Reaccreditation Program**

and has complied with its continuing education requirements, as set forth in the organization's Constitution, Bylaws and Administrative Rules. Therefore, formal reaccreditation has been granted by the International Board of Governors and will remain valid through

## April 27, 2024

Chief Executive Officer (Interim)

Sr. Manager of Accreditation
and Reaccreditation Services

**JULY AND AUGUST, 2021 ARTICLES AND REPORTS**
**And Client's Response to the March 8, 2021 NY POST ARTICLE**

. NEW YORK POST

BUSINESS

SIDE DISH

# East Village hit hardest by NYC's COVID-19 restaurant closures

By Jennifer Gould

**March 8, 2021 | 10:35pm | Updated**

*The outdoor dining setup for Bottleshop Craft & Carry Tap Room in the East Village.* *Daniel William McKnight*

The pandemic has hit East Village restaurants harder than any other Big Apple neighborhood — and the neighborhood's hard-partying reputation is to blame, sources said.

**At least 55 restaurants have permanently closed in the East Village since the pandemic hit last March — more than double the number of restaurant closings elsewhere in the city, according to The Infatuation, a website that's been tracking pandemic closings.**

**By comparison, 21 restaurants closed in the West Village; 19 restaurants closed on the Lower East Side; 15 closed in both Williamsburg and Staten Island; 14 closed on the Upper West Side; 13 closed in Midtown; and 11 closed in Chinatown. Neighborhoods with 10 closures or less include the Upper East Side with 10, and six each in Murray Hill, Soho and FiDi, according to the Infatuation.**

The problem, sources say, is that the East Village — sometimes referred to as the city's version of Bourbon Street — boasts a young, late-night crowd that spends more money on booze than

food, which means it was hit first by the lockdowns and then by the curfews, which now end at the geriatric hour of 11 p.m.

“There are more liquor licenses per square block in the East Village than anywhere else in New York, and when you destroy the liquor business, you can’t survive,” said restaurateur Stratis Morfogen.

“The neighborhood is filled with college students and first-time apartment owners — people in their 20s who don’t sit down to eat until after midnight. Pizzerias stay open here until 7 a.m. **In most neighborhoods, food is 75 percent and liquor is 25 percent. In the East Village, it’s the opposite. Liquor is a vital part of the East Village’s restaurant business and it has been crushed by the curfew,” Morfogen said.**

Nevertheless, Morfogen has signed a lease to open an outpost of his automated Brooklyn Dumpling Shop at 131 First Ave. because he believes in the neighborhood even though he thinks it will take a long time to recover from the pandemic.

“They would have been one of the first neighborhoods to recover if it wasn’t for the curfew, since it is easier to serve drinks than food. Now it will be one of the last,” he said.

Some of the city’s most iconic East Village hot spots have closed permanently as a result, including Gem Spa, a candy store since the 1920s and quite possibly the birthplace of New York’s egg cream — a fizzy soda with chocolate syrup that contains neither eggs nor cream and has become part of the city’s urban history.

Other closures include beloved institutions like Jewel Bako, Jules Bistro and The Mermaid Inn.

The original Coyote Ugly, known for having its bartenders and customers dancing on the bar and the inspiration for a 2001 film of the same name, also shut down permanently last September after 28 years in business.

“It’s heartbreaking what is happening to all these bars and restaurants. In the next week, it will signal a full year that Coyote Ugly NYC has been closed,” the bar’s owner/founder, Liliana Lovell, told Side Dish, adding that “high rents” was a major factor in her decision to close for good after first being shuttered by the lockdowns.

The owner of Gem Spa has also reportedly blamed high rents. But while rents vary from block to block, restaurant broker James Famularo, president of Meridian Retail Leasing, notes that East Village rents average around $150 a square foot, or “in line” with the rest of the city excluding high-rent neighborhoods like Madison Avenue and Times Square.

The bigger problem, Famularo said, is that the area’s young residents — who liked to cram into small apartments with multiple roommates pre-pandemic — fled the city to move back in with their parents.

Still, Ismael Alba, who cooked for Pope Francis when he was in town in 2015, insists he was only able to survive because he owns the building where his Argentinian restaurant, Buenos Aires, is located.

**“How can a restaurant that has been closed, with no outdoor space, pay $35,000 a month in rent? PPP money only goes so far,” said Alba, who also pivoted to sell imported goods, like Argentine meat, to stay afloat.**

**Alba added, however, that he believes that the East Village will thrive again soon enough, thanks to its tight-knit community.**

"The East Village is like a fraternity," he said. "Everyone helps each other. If someone runs out of napkins, I give them. We lend things back and forth."

# CLIENT RESPONSE TO THE MARCH 8TH 2021

## NY POST ARTICLE ON EAST VILLAGE BARS AND RESTAURANTS

By Lorcan Otway

## To Ronald M. Gold, ASA, MRICS:

**Our building and businesses are on a unique block in a unique neighborhood. Saint Marks Place is the main street in what became the "East Village" in the 1960s. The name was first coined on Saint Marks Place with the Village East restaurant on the corner of 3rd Avenue and Saint Marks Place. It stuck because, in the fifties, when the Jazz clubs were found west of here, Saint Marks Place had clubs such as the Dom, the Five Spot Cafe and in our building, The Jazz Gallery, where John Coltrane recorded "Live at the Jazz Gallery" and such greats as Thelonious Monk, Charles Mingus and Lord Buckley performed.**

**This block was a performance mecca because it is the convergence point of subway lines which go uptown, downtown, east and west, and out to Astoria and Queens. Besides this, it is a hub of colleges which feed the bars, where graduate students and young professors congregate by late afternoon. They are also theater goers and make up a good part of our audience.**

**In my family, over the past fifty-nine years which my father and I and now, my wife and I have run the theater, we realize that a good part of our audience demographic are young intellectuals as well as the older theater goers and our patrons run the gamut from Park Avenue to Harlem and the surrounding neighborhood as well as the "bridge and tunnel" crowd.**

**The demographic here is expertly described in the *New York Post*, by Jennifer Gould, March 8, 2021 :**

> ***""The problem, sources say, is that the East Village — sometimes referred to as the city's version of Bourbon Street — boasts a young, late-night crowd that spends more money on booze than food, which means it was hit first by the lockdowns and then by the curfews, which now end at the geriatric hour of 11 p.m.***

> ***"There are more liquor licenses per square block in the East Village than anywhere else in New York, and when you destroy the liquor business, you can't survive," said restaurateur Stratis Morfogen.***
>
> ***"The neighborhood is filled with college students and first-time apartment owners — people in their 20s who don't sit down to eat until after midnight. Pizzerias stay open here until 7 a.m. In most neighborhoods, food is 75 percent and liquor is 25 percent. In the East Village, it's the opposite. Liquor is a vital part of the East Village's restaurant business and it has been crushed by the curfew," Morfogen said.""***

**This demographic will survive the COVID-19 restrictions, as it is based on the constants of the college community's presence and mass transit accessibility. Where mid-town has large chain bars, the village has the small venues which people coming to New York seek out, as mid-town offers much of what they have in their home cities and towns shopping malls. We are the New York tourists from other nations come to see.**

**Part of the value of the building is the high rents in the neighborhood. While a disadvantage to renters, it is a distinct advantage to building owners, especially those who own a licensed tavern. We have adjusted our business model to reflect this, extending the tavern into the theater, as a cabaret style auditorium, in recognition of the dominant part that alcohol sales dominate the economy of the neighborhood and this street in particular**

***JULY AND AUGUST 2021 ARTICLES AND REPORTS***

# WALL STREET JOURNAL
# New York Officials Recommend Masks Indoors as Covid-19 Cases Rise
## Gov. Andrew Cuomo, Mayor Bill de Blasio fall short of mandating but say more mandates might be coming

**People wear masks while riding on the subway Monday as cases of the infectious coronavirus Delta variant continue to rise in New York City. PHOTO: ANDREW KELLY/REUTERS**

**By Jimmy Vielkind**

**Aug. 2, 2021 1:26 pm ET**

Elected officials in New York said they strongly recommend people wear masks in public indoor settings but stopped short of mandating it, in response to rising Covid-19 case counts.

New York Mayor Bill de Blasio said officials in the nation's largest city considered the difficulty of enforcing a mandate and decided a recommendation would keep the emphasis on the importance of Covid-19 vaccinations.

"The CDC recommended, and we are recommending. So, we are tracking the exact language from the CDC," he said.

The Democratic mayor also said the city would require vaccination as a condition for hiring new employees, and Gov. Andrew Cuomo announced that workers in the city's airports and mass transit systems would be subject to weekly virus testing after Labor Day if they aren't vaccinated.

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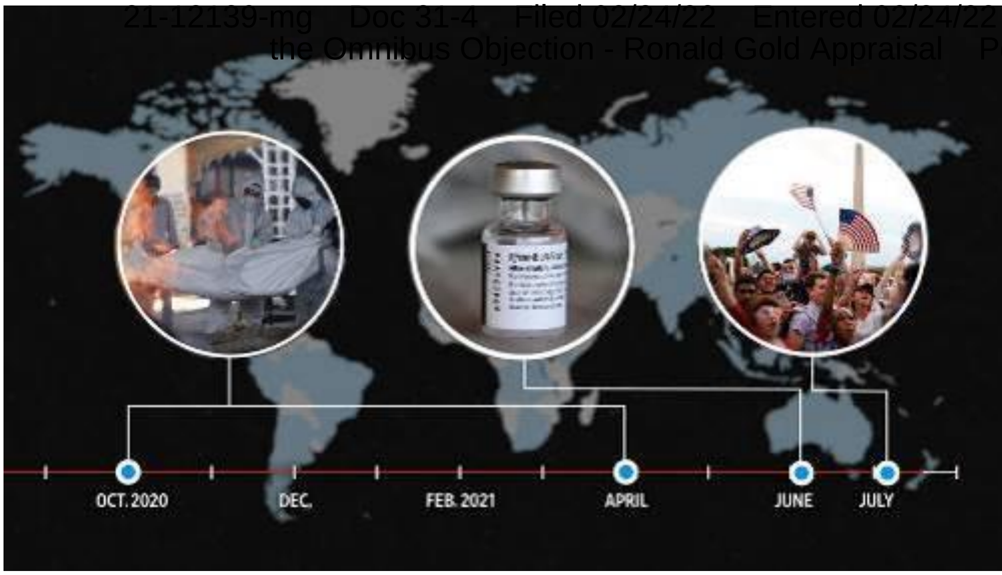
The moves are a response to new federal guidance issued last week after health officials found vaccinated people were able to transmit the more contagious Delta variant. The Centers for Disease Control and Prevention urged all people in counties with high or substantial transmission of the virus—including all five boroughs of New York City—to wear masks in indoor public settings.

The new indoor mask recommendation rekindled debate about masking policies in municipalities around the country. Mr. Cuomo, a Democrat who asserted state control during the first waves of the coronavirus pandemic last year, on Monday urged local officials to adopt CDC recommendations but said he wouldn't issue an emergency order that would give him authority to do so.

How Covid's Delta Variant Quickly




How Covid's Delta Variant Quickly Spread Globally
Covid-19's Delta variant is proliferating world-wide threatening unvaccinated populations and economic recovery. WSJ breaks down events in key countries to explain why Delta spreads faster than previously detected strains.
Composite: Sharon Shi

Some school districts and companies were implementing their own mask mandates. On Monday, Target Corp. said it would require workers to wear masks regardless of vaccination status in counties deemed at high risk of Covid-19 transmission, following similar policies implemented by other companies last week.

Mr. de Blasio said traffic at city-run vaccination sites doubled on Saturday, after the city promised to give people $100 for getting vaccinated.

The seven-day average number of confirmed and probable daily coronavirus cases is now over 1,200 in New York City; that figure was less than 250 at the start of July, according to city statistics.

Both Messrs. de Blasio and Cuomo said further mandates could be coming. The governor said he would consider mandating vaccinations for schoolteachers and nursing-home employees if case counts increased.

**THE REAL DEAL**

**De Blasio bumps up city vouchers as state increase stalls**

**City now offers Section 8-level subsidies; state bill still unsigned**

**New York /**

**August 02, 2021**

**By Suzannah Cavanaugh**

Gov. Andrew Cuomo and Mayor Bill de Blasio (Getty, iStock)

Mayor Bill de Blasio bumped up the value of city housing vouchers to federal levels Friday, then highlighted that Gov. Andrew Cuomo has yet to do the same for the state's program.

"Assemblymember Linda Rosenthal and State Senator Brian Kavanagh successfully sponsored legislation to similarly increase state vouchers, but the bill has not yet been signed by the governor," a press release from the mayor's office said.

The release did not mention that the bill has yet to be delivered to Cuomo's desk, according to the Senate website.

The mayor's announcement, which comes two months after the City Council passed the bill, hikes rental subsidies for homeless New Yorkers or CityFHEPS vouchers to the value of Section 8 vouchers, an increase of over 90 percent.

De Blasio had initially withheld support for the bill, claiming it would put undue stress on city finances if New York City made its vouchers worth far more than the state's. FHEPS stands for family homelessness and eviction protection supplement.

Read more

All eyes on de Blasio after City Council approves housing voucher increase

De Blasio balks as CoJo schedules vote on rental vouchers

The state Assembly and Senate passed legislation in the second week of June to increase state rental vouchers to federal levels.

The delay in getting the bill signed comes as tenants brace for an eviction crisis. State rental aid has yet to be distributed and millions of New Yorkers who owe back rent could be at risk of getting booted when the state eviction moratorium lifts Aug. 31.

State FHEPS vouchers at current levels are "woefully insufficient to prevent eviction and homelessness," Legal Aid Society attorney Judith Goldiner said. Raising them would supplement the city's program, she noted.

"Once it is signed into law, my landmark bill with state Sen. Brian Kavanagh will increase the State FHEPs voucher amount to cover the true cost of rent in New York City," said Assembly member Linda Rosenthal, a sponsor of the state bill. Both lawmakers are Manhattan Democrats.

Contact Suzannah Cavanaugh

**WALL STREET JOURNAL**

# As Delta Variant Rages, More Workers Are on Edge About Return to the Office

## New face-mask and vaccination mandates leave many frustrated, uncertain regarding next steps

Some employees were excited to go back to the office, but surging cases of the Covid-19 Delta variant are reviving safety concerns.

**PHOTO: MARTHA ASENCIO RHINE/ZUMA PRESS**

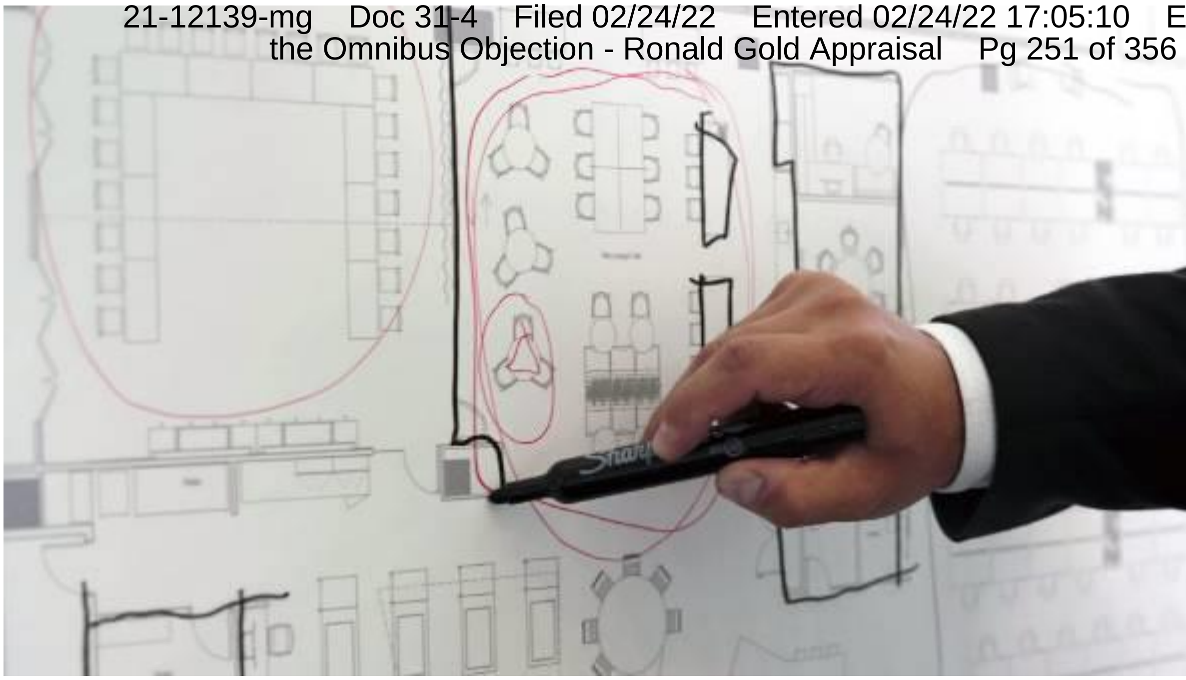
**By Ray A. Smith and Patrick Thomas**

**Aug. 2, 2021 9:00 am ET**

**Pieter Wingelaar was looking forward to going back to work in his company's office in Detroit later this month,** after more than a year of working remotely. With Covid-19 cases rising again because of the highly transmissible Delta variant and no requirement at his job for employees to be vaccinated, the financial-industry phone-sales officer said he is less sure about returning. "I don't feel that comfortable about it," said the 40-year-old, who is fully vaccinated and doesn't have any pre-existing conditions.

With scores of U.S. companies planning to return to offices in full force in a few weeks, workers are trying to make sense of changing face-mask guidelines and rising virus cases, along with new research about how easily the virus strain can be transmitted. The calculations and recalculations of risk are leaving many stressed, upset or simply in limbo. New and at times confusing guidance from health officials and employers on wearing masks indoors, and questions about whether vaccines will be required or not, have workers grappling with what to expect at work, or even whether to come in.

Mr. Wingelaar had anticipated working at the office without having to wear a mask, but now he says he might have to consider one. Though many workers posting on social media seem divided on vaccine mandates, plenty agree that wearing a mask at the office all day can feel pointless.



The Office Redesign Has Only Just Begun
Plexiglass dividers and floor decals might not be permanent, but the pandemic will bring lasting change to offices. Experts from the architecture and real-estate industries share how they are getting back to work and what offices will look like in the future. Photo: Cesare Salerno for The Wall Street Journal

"I'm in phone sales, you can't talk on the phone all day, eight hours a day with a mask on," Mr. Wingelaar said. "I'm probably just going to be wearing the mask in the elevator."

The Centers for Disease Control and Prevention on Friday raised more concerns with a new report that said vaccinated people infected with the Delta variant of Covid-19 can spread the virus. Doctors say the elderly and those with compromised immune systems are most at risk for breakthrough infections.

Health and safety worries are clouding some workers' enthusiasm for getting back to workplace routines. In a Glassdoor survey of more than 1,000 working adults conducted by the Harris Poll in early July, 35% said they were concerned about contracting Covid-19 when returning to the office. About two-thirds said they were still eager to return, down from an April survey in which nearly three-quarters of people polled said they wanted to go back to an office at least part time.

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As more public and private-sector companies and the federal government begin requiring vaccinations or weekly Covid-19 testing, some workers are expressing relief over their employers' mandates. Others are adamantly opposed, and unions split over the issue last week, with several speaking out against vaccine mandates.

Nearly as fraught is the issue of face masks at work. Some vaccinated employees say they are unhappy about having to wear masks at work as a result of the CDC's recent reversal on mask-wearing indoors.

The Delta variant's rapid spread has increased fears among some workers who were already nervous about returning to the office. A string of high-profile companies, particularly in technology, including Apple Inc. and Google, are postponing office-reopening dates or closing campuses again after briefly reopening them in recent weeks.

Max Andre was thrilled to be back at the office in June after working from home since April 2020. "It felt good, the camaraderie of being with your peers, and there's nothing like giving one of your staff members a fist bump on a great job," said the 51-year-old, who is a team leader with a healthcare insurance company and lives in Coral Springs, Fla.

Last week, Mr. Andre went back to working from home because of concerns about the Delta variant.

"I was really looking forward to being back in the building, having interaction with someone besides my wife and kids, and now I'm going back to the house again," he said. "It's tiring."

For the month or so he was back in the office, Mr. Andre didn't wear a mask because it wasn't required, though he suspects that could change.

"I'm going to have to start wearing masks in the building now," whenever he returns, he said. "It feels like we're going back to square one."

Tera Martin-Roy, a 39-year-old staff member in the economics department at the University of Illinois, said she has no problem wearing masks at work to keep others safe. The university said last week it would require people to wear a mask in all its buildings regardless of their vaccination status; previously, vaccinated individuals could roam without one.

Still, the unending conversation about masks, both at work and from health officials, is exhausting, she said.

“I’m emotionally drained,” she said. “There is so much talk about it every day at work.”

California’s announcement that state workers would have to either be vaccinated or undergo frequent Covid-19 tests came as a relief to Laura Patterson, a 50-year-old scientist who works for the state and lives in Sacramento. Ms. Patterson, who suffers from asthma, said she had been concerned about returning to work without mandates in place. “I feel better about the possibility of going back to work,” she said. The order is scheduled to go into effect in August.

Ms. Patterson continued wearing masks in public spaces even after the CDC said fully vaccinated individuals no longer had to wear them indoors. “If this [California vaccine order] does get implemented, I would feel much more comfortable not wearing my mask in the office,” she said. She is especially looking forward to the better Wi-Fi at work.

Workers are grappling with what to expect as offices reopen.

PHOTO: MICHAEL NAGLE/BLOOMBERG NEWS

Companies with office-return plans in place for fall might have to stay flexible. “Instead of making sweeping declarations about how you’re definitely doing things in the fall, start small and experimental and try things to see what works,” said Rita J. King, executive vice president for business development at Science House, a New York-based strategic consultancy.

Ms. King, who advises senior leaders of Fortune 500 companies, recommends employers start by first bringing back small groups of willing vaccinated workers who are game for wearing masks in the office.

“It may turn out that people feel very uncomfortable being masked indoors with each other all day and they don’t want to keep doing it, in which case you have data from your experiment,” she said.

Some workers say their decisions to join companies that will allow them to work remotely has helped them sidestep the uncertainty around returning to the office as the virus spreads.

“I knew there were a ton of reasons why people wanted to return to the office, but being remote I don’t have that whiplash that other people are having,” said Lawrence Nwajei, a 25-year-old account executive who switched jobs in March to work remotely in Chicago for Yonder, a technology firm that tracks disinformation for corporate customers.

Mr. Nwajei said he had sought a new role that would allow him to work from home exclusively, where he says he works better. Given the new uncertainty around office returns and changing mask guidance, he said he feels that he made the right choice.

“I don’t have to worry about as many things as other people, and it’s nice to be in that position,” he said. “It does validate my decision.”

**WALL STREET JOURNAL**

# Which Companies Are Mandating Covid-19 Vaccines for Employees?

## Google and Facebook are requiring inoculations for worksites, but GE and Boeing aren't. How companies are responding to the pandemic.


Google is requiring all employees at its U.S. campuses to be vaccinated and is delaying their return to the office until mid-October.
PHOTO: ANDREW KELLY/REUTERS

**By Inti Pacheco**
**and Chip Cutter**

**Updated July 30, 2021 12:46 pm ET**

Some tech giants and Wall Street banks are requiring their workers to get Covid-19 vaccines to return to their offices. A few U.S. airlines are telling new hires they must get inoculated. Most big manufacturers aren't mandating injections. Neither is one of the main Covid-19 vaccine producers.

This week, some employers, including Google and Uber Technologies Inc. , delayed their plans to bring workers back into offices. Others that have reopened offices, such as Eli Lilly & Co. and Citigroup Inc. , said they would require staff that are at work to wear masks again regardless of vaccination status. Amazon.com Inc. said it would maintain its plan for some corporate employees to return to work in September and that it wouldn't require workers to get vaccinated.

Though many companies had long encouraged, rather than required, vaccines, a rising number of Covid-19 cases and the spread of the highly transmissible Delta variant has led to a shift in thinking among some corporate leaders, said Francine Katsoudas, Cisco Systems Inc.'s head of human resources.

"You just don't feel like you can protect your employees to the extent that you want to, and it makes you then lean in a little bit to kind of raise the bar around your expectations," Ms. Katsoudas said in an interview. "I think everyone was trying initially to just respect everyone's perspective around what they want to do [on vaccines], but we know that if we do that, we could create a pretty serious situation."

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Cisco has required the limited number of employees working in its offices in July and August to be fully vaccinated, guidance it will likely extend into the fall as its offices reopen more broadly, Ms. Katsoudas said.

Here is a look at how companies are responding to the pandemic:

Technology

Google and Facebook Inc. said this week that they will require all employees at their U.S. campuses to be vaccinated. Google also said it is delaying its work force's return to the office until mid-October, after the Alphabet Inc. subsidiary previously planned to get most staff back on campus at the end of September.

Amazon finance chief Brian Olsavsky said on Thursday the retail giant wasn't pushing back its plans for some corporate employees to return to the office in September and the company isn't mandating workers to get the Covid-19 vaccine.

Uber CEO Dara Khosrowshahi said in an email Thursday to employees the ride-share company was pushing back its plans to return to the office to Oct. 25 and will require employees going to the office to be fully vaccinated.
Apple Inc. last week delayed its return to the office until at least October. Apple also said this week that it would require employees in its corporate offices and workers in its stores to wear masks even if they have been vaccinated.
Twitter Inc. is shutting down its offices in San Francisco and New York just two weeks after the social-media company reopened those offices on July 12. The company had required proof of vaccination for employees returning to the office.
Also Thursday, LinkedIn Corp. CEO Ryan Roslansky said the company scrapped its expectations for employees to work 50% of the time at the office. Mr. Roslansky said the company is embracing flexibility with both hybrid and remote roles.


Boeing says it is encouraging workers to get Covid-19 vaccinations but isn't requiring the shots.
PHOTO: CHONA KASINGER/BLOOMBERG NEWS

Banking

Morgan Stanley in June was among the first big employers to require employees be vaccinated before returning to offices. Other banks including Goldman Sachs Group Inc. and Wells Fargo & Co. have asked or required that employees disclose their vaccination status.
This week Citigroup told employees in a memo that they will be required to wear a mask in its corporate offices, regardless of their vaccination status. Employees can take the mask off when at their desks or while eating if they are socially distant.

Airlines

United Airlines Holdings Inc. and Delta Air Lines Inc. said in the spring they would require newly hired employees to be vaccinated. While carriers have offered incentives including cash bonuses and extra vacation time, airlines have largely avoided requiring current employees to be vaccinated. Some pilots unions have said they want vaccines to remain optional.

How Covid's Delta Variant Quickly Spread Globally

YOU MAY ALSO LIKE

"We highly encourage our employees to get vaccinated but do not have any current plans to make it a requirement," Southwest Airlines Co. said this week.

Healthcare

AstraZeneca PLC isn't requiring staff to have shots, but vaccination uptake has been "pretty good," CEO Pascal Soriot said Thursday. "We are encouraging employees to be vaccinated, but we haven't made it, and we don't intend to make it compulsory for now."
The company, which makes a globally distributed Covid-19 vaccine in partnership with the University of Oxford, will remain flexible with managers deciding work-from-home policies, he said.
Pfizer Inc. also doesn't require vaccinations as a condition for employees to return to their offices, but there might be certain circumstances in the future when the company imposes a requirement in the interest of colleagues' health and wellness, a spokeswoman said Thursday.
Eli Lilly brought workers back to its Indianapolis locations in two waves, a spokeswoman said. For the first, which began June 1, Lilly required employees to be vaccinated. Employees who returned July 12 were encouraged but not required to get vaccinated. Starting July 29, based on new guidelines from the Centers for Disease Control and Prevention, Lilly is requiring all employees regardless of vaccination status to wear masks.

Manufacturing

General Electric Co. hasn't required its employees to get vaccinated. GE started to educate and encourage workers early in the year to get vaccinated, including working with healthcare providers to ensure easy access to the vaccine. “At this point, we have no plans to make vaccinations mandatory,” CEO Larry Culp said Tuesday.

Boeing Co. also isn’t requiring vaccines. The aircraft maker said it encourages workers to get vaccinated and has a system where employees can volunteer to share their vaccine status. Those who are fully vaccinated aren’t required to wear masks on worksites, while those who aren’t must wear masks, a spokeswoman said.

Hospitality

Cruise-line operators, seeking to resume sailing in the U.S., were among the first big employers to require staff to get vaccinated. Norwegian Cruise Line Holdings Ltd. said in April that it would require full vaccinations for all crew and passengers, including children, at least two weeks before boarding.

Starting this week, MGM Resorts International will have mandatory regular testing for unvaccinated employees. If tested on-site, workers will have to pay a $15 copay fee and those who choose to get tested elsewhere are required to provide a result from a PCR test. Those who aren’t vaccinated are notified when they will be tested and won’t be paid for their time off during a required quarantine period if they test positive.

Media

The Washington Post said Tuesday it would mandate the shots for employees as well as visitors to its offices. “Our plan is to require all Washington Post employees to demonstrate proof of full Covid-19 vaccination as a condition of employment beginning with our September 13 office return,” CEO Fred Ryan wrote in a note to employees.

Delivery

Neither FedEx Corp. or United Parcel Service Inc. have mandated that workers be vaccinated. A UPS spokesman said that the company is “strongly recommending that all employees get fully vaccinated” and it is providing resources to help them find locations to be vaccinated.

THE REAL DEAL
Susan Rice to co-chair home appraisal inequity task force
Interagency team led by HUD secretary Marcia Fudge will deliver a report in 6 months
National /
July 30, 2021
TRD Staff

Susan Rice (Getty, iStock)
Susan Rice is taking up the mantle of fighting housing inequity, serving as co-chair for a task force studying inequity in home appraisals.
The former U.N. ambassador and Obama administration national security advisor will lead the new interagency task force along with HUD Secretary Marcia Fudge, HousingWire reported Thursday.
The Property Appraisal and Valuation Equity task force, which will also include the secretaries of Agriculture, Labor, Education and Veterans Affairs, is expected to deliver a report to President Biden within six months, according to HousingWire.
The task force will then help guide policy for agencies to implement to combat inequity and the undervaluing of homes, creating “a roadmap of actions” for consumers, industry stakeholders and government agencies to take to fight against problems within the appraisal industry, according to a HUD spokesperson.
Rice also serves as director of the Domestic Policy Council, where she plays an influential role in the Biden administration’s efforts to advance equity and racial justice issues beyond the housing industry.
The trade group the Appraisal Institute first recognized the presence of possible “unconscious valuation bias” within the industry last year. The institute promised to increase training around unconscious bias and hire more minority field employees.
A 2018 study by the Brookings Institution estimated that owner-occupied homes in Black neighborhoods are undervalued by an average of $48,000.
Read more
Bill targets discrimination in home and commercial appraisals
Joe Biden taps Marcia Fudge, Ohio congresswoman, as HUD secretary
Real estate is acknowledging its diversity problem. Now what?
[HousingWire] — Holden Walter-Warner

COMMERCIAL OBSERVER

# Sunday Summary

## AUGUST 1, 2021
## Sunday Summary: Get the Vaccine. Or, You're Fired.

A year ago, it never really occurred to us that after a catastrophic economic shutdown, hundreds of thousands of deaths, and a heroic effort by the scientific community to churn out a shield in record time, America would be blessed with remarkably effective COVID vaccines but cursed with a significant minority of Americans who would refuse to take them.

However, that appears to be the twisted truth. Business leaders were prepping for a summer of joy, an end to the lockdowns, a return to work, and everything else, but the recovery is instead looking like it's being slowly and tragically undermined.

After months of companies and landlords waiting for their fellow Americans to see the light of their own accord (and relying on the honor system about taking safety precautions), The Durst Organization has apparently had enough.

In a directive apparently issued last month, but made public this week, the family real estate firm didn't mince words: Get the vaccine, or you're fired. Alec Baldwin himself couldn't have said it with greater simplicity.

Durst isn't the only company adopting a mess-around-and-find-out posture about vaccines. (We're a family publication, but you can guess what the word "mess" is a euphemism for.)

Google pushed back its return to office to October, but is also mandating vaccination for workers. And Danny Meyer has extended a company policy not just to employees, but also to customers.

"If you really want to go unvaccinated, you can dine somewhere else, and you can also go work somewhere else," Meyer said on CNN. Very strong. (However, Meyer lost his nerve when it came to his biggest cash cow. "Shake Shack will make whatever appropriate decision it is going to make at the appropriate time," he also said.)

This attitude seems to be penetrating the government sector, too. On Monday, Mayor de Blasio announced that New York City was requiring all 340,000 city workers (including cops, firefighters and teachers) to be vaccinated by mid-September, or to submit to weekly testing.

In Los Angeles, local lawmakers are preparing legislation mandating that all city workers get vaccinated and report their status to the city.

And mask mandates are back. Even in Florida, which has had a more lax attitude toward COVID-19 since the beginning of the crisis, Miami-Dade Mayor Daniella Levine Cava issued a mask mandate on Thursday for all indoor county facilities. And, in Orange County (home to Disney World), Mayor Jerry Demings ordered all 4,200 non-union county employees to be fully vaccinated by the end of September.

All this has forced contractors, building trade officials and union leaders to grapple with how to nudge their vaccine-skeptical workers to go ahead and get the jab. And, perhaps, this is the most effective route.

“This is a public health problem and it’s the government that ultimately has to deal with it, with a public mandate," Kathryn Wylde, president and CEO of the Partnership for New York City, told Commercial Observer. “Employers are doing everything they can — including, where possible, vaccine mandates — but there’s only so far they can go without disrupting their workplace and discouraging people from coming back."

Does that mean no deals?

Despite this shadow over the country and the market, there’s actually quite a lot of long-term optimism about the future, if people’s real estate decisions mean anything.

According to a new report by TerraCRG, investment sales in Brooklyn jumped a whopping 58 percent in the second quarter from the first quarter, doing $1.06 billion in sales. This comes with a pair of caveats: The first quarter was a trainwreck. And this number is still 23 percent lower than it was in the second quarter of 2020. But it still represents significant progress.

“I think that we’re now in very, very good territory," TerraCRG’s Ofer Cohen told CO. “I think it’s going to increase."

Moreover, the evidence seems to be piling up every day that this is also the case in Manhattan, too. Isaac and Eli Chetrit just shelled out $200 million for a stake in a 60-building multifamily portfolio of buildings that stretches from Hell’s Kitchen all the way up to Morningside Heights from Black Spruce Management.

Even hospitality is no longer playing the wallflower. The Lightstone Group landed a $130 million construction loan on their new 303-key Moxy Hotel on the Bowery.

We certainly saw evidence that the old-school mega-lease was alive and well, with the 400,000-square-foot renewal that Fried Frank just signed at Brookfield’s One New York Plaza. Plus, The Carlyle Group made its fourth expansion at One Vanderbilt, grabbing an additional 33,924 square feet.

And there were other exciting leases that tickled the fancy of New Yorkers. Wegmans, the Rochester-based supermarket (with an extremely devoted upstate following) that opened its first New York City location in Brooklyn’s Navy Yard in 2019, is apparently going for seconds in the former Kmart at Astor Place in 2023. The executive recruitment platform, True, took 18,000 square feet at Hudson Commons, and Snow Phipps took 10,000 square feet at 545 Madison Avenue.

Plus, some of the shrewd restaurant operators are thinking seriously about how to feed this returning workforce. Steve Kamali launched a Kitchclub, which is essentially a new gourmet delivery service. (As for the fast-casual spots that were previously the lifeblood of the Midtown office worker? They’re changing, but not going extinct.)

It should be noted, the optimism isn’t a New York phenomenon: In Los Angeles, CBRE found that multifamily occupancy (and rents) are rebounding incredibly well. Rents are surpassing pre-pandemic levels and the second-quarter absorption rate was the best since 2019.

And commerce is certainly calling in Florida. Former CO publisher (and son-in-law of former President Donald Trump) Jared Kushner is opening a new investment firm called Affinity Partners in Miami. And, Related Companies shelled out $20 million for a former church in West Palm Beach, where they're planning on putting up a 25-story office/retail tower designed by David Childs.

Quarterly check-in

Last week saw a number of earnings calls, and the message there was also positive.

Columbia Property Trust reported a 93.5 percent occupancy rate.

Empire State Realty Trust reported 35 leases signed in the last quarter. (Much of the call revolved around GBG USA, the North American arm of their tenant, Global Brands Group, declaring bankruptcy. But, that also doesn't sound like the worst news for ESRT. "Of GBG's current 353,000 square feet under lease, 162,000 square feet of space … has been sublet for several years," said ESRT's Christina Chiu on the call. "The sublet fees … pay a higher rent than GBG's space rent, and, as per the terms of that sublet, that rent will now be paid directly to ESRT.")

And Boston Properties is making a $465 million play for Safeco Plaza in Seattle.

Industrial fever isn't dying down

Perhaps a necessary counterweight to the optimism has been the amount of industrial activity we're also seeing.

According to a new report by Lee & Associates of Maryland, there were 3 million square feet of industrial leases in the Baltimore area last quarter.

And the leases were happening last week, too. Everyone's old standby, Amazon, signed a 202,000-square-foot lease for a distribution center in Ventura County. And, in Miami, Carbel, a warehouse distributor, locked down 360,000 square feet at First Park Miami.

**"PATCH"**

# NYC Could Become Nation's Priciest Rental Market: Report

## The city's median one-bedroom cost is only $40 below San Francisco's, and its rent costs are rising more rapidly, a Zumper report found.

## Gabby DeBenedictis, Patch Staff
## Posted Fri, Jul 30, 2021

The median rent for a one-bedroom apartment in New York City is $2,680, according to a new report. Rent prices in the city are currently 5.6 percent lower than they were this time last year. (Krishna Gopinath/Patch)

NEW YORK CITY — New York City could soon overthrow San Francisco to become the most expensive rental market in the United States, a July rent report from Zumper found.

The city's median rent for a one-bedroom apartment — $2,680 — is currently the second-highest in the nation, Zumper's National Rent Index found. The price is only $40 behind San Francisco's $2,720, and New York City has seen much more growth than San Francisco in recent months.

The city posted a 4.3 percent month-over-month gain in median one-bedroom rent in July, making prices just 5.6 percent lower than they were this time last year, according to Zumper's report. In comparison, San Francisco prices are currently down 15 percent compared to last year.

Nationwide, Zumper's rent index posted a 7 percent year-over-year increase in the cost of a one-bedroom apartment, and an 8.7 percent increase in two-bedroom costs.

"There are a number of possible reasons rent is rising so rapidly," the Zumper report reads. "With the COVID vaccine widely available, renters are adapting to a new normal and moving to accommodate that. Lower wage workers who lost their jobs in the pandemic are finding employment again as cities have opened up, allowing them to move out of friend's and family's homes."

Top of Form

Let's go!

Bottom of Form

The hyper-competitive sales market is also keeping prospective buyers – particularly first-time buyers with growing families – in the rental market, the report said. That trend helps explain why two-bedroom rent growth is outpacing the rate of one-bedroom growth.

Zumper's full report can be found here.

Olshan Luxury MARKET REPORT 2021
Report on Contracts Signed
Manhattan Residential Properties $4 Million and Above
July 26-August 1, 2021

21 Contracts Signed

Twenty-one contracts were signed last week at $4 million and above, 18 fewer than the previous week. Condos outsold co-ops, 15 to 2, and there were 4 townhouses in the mix. Stat Geek Alert: Last week marked the lowest totals of both contracts signed and dollar volume since the 3rd week in January, when 14 contracts were signed. Nevertheless, 21 contracts is indicative of a stable market and certainly a respectable showing for the middle of summer when so many of the luxury buyers are away.

The No. 1 contract was PH10A at 90 Morton Street, asking $18 million. The condo has 3,678 square feet including 3 bedrooms, 3.5 bathrooms, and a 610-square-foot landscaped terrace off the living room, kitchen, and one of the bedrooms. The seller paid $12,600,844 in June 2019. 90 Morton is a former printing plant that was converted into a 12-story, 28-unit condo; it started marketing off of floorplans in the Fall of 2017. Amenities include a concierge, covered driveway, a fitness center, a 64-foot pool, residents' lounge, children's playroom, and a rooftop terrace with an outdoor kitchen. The buyer was from New York.

The No. 2 contract was 10D at 212 West 18th Street, asking $14.9 million. The Walker Tower condo has 3,199 square feet including 3 bedrooms, 3.5 bathrooms, and a spectacular 1,026-square-foot terrace. It features 14-foot ceilings and a 27-foot master suite. The seller paid $16.9 million in January 2017. Amenities include a concierge, 24-hour doorman, lounge, playroom, gym, sauna, and roof deck.

| . | EAST SIDE | WEST SIDE | MIDTOWN | DOWNTOWN | Asking $/sq.ft. | Totals |
|---|---|---|---|---|---|---|
| Co-ops | 1 | 0 | 1 | 0 | Avg.Ask: $7,875,000 | 2 |
| Condos | 5 | 1 | 1 | 8 | Avg.Ask: $8,099,133 Avg.$/sq.ft.: $3,123/sq.ft. Avg.Size: 2,593 sq.ft. | 15 |
| Condop* | 0 | 0 | 0 | 0 | Avg.Ask: Avg.$/sq.ft.: Avg.Size: | 0 |
| Townhouses | 0 | 1 | 1 | 2 | Avg.Ask: $7,036,250 Avg.$/sq.ft.: $1,490/sq.ft. Avg.Size: 4,723 sq.ft. | 4 |
| TOTALS | 6 | 2 | 3 | 10 | . | 21 |

**NEW YORK TIMES**

# Historic Cherry Lane Theater Sold for $11 Million

## The Lucille Lortel Theater Foundation, which has managed the 97-year-old theater for the past decade, will take over the building in Greenwich Village.


The Cherry Lane Theater reopened in June with Jacqueline Novak's one-woman show "Get on Your Knees."Credit...Mary Geerlof

By Sarah Bahr
July 19, 2021

**The Cherry Lane Theater, the oldest continuously running Off Broadway theater in New York City, has been sold to the Lucille Lortel Theater Foundation for $11 million, the theater announced on Monday.**

"It has been a great run," Angelina Fiordellisi, the executive director of the theater, said in a statement. "To stand on the stage where so many of our greatest artists, crews and theater providers have stood is to know what theater history feels like."

The new owner will be the Lucille Lortel Theater Foundation, which is a few blocks from the Cherry Lane Theater on Christopher Street and has managed the building for the past decade. The sale includes the 179-seat main stage and a 60-seat studio theater.

Fiordellisi, who has led the 97-year-old nonprofit theater since acquiring the building in 1996, will continue to lead the nonprofit producing group Cherry Lane Alternative, which will have readings — and possibly productions — in the theater's studio space.

She had previously announced plans to sell the building, at 38 Commerce Street, in 2010, citing financial struggles. At the time, she told The New York Times that the theater was operating at a deficit of $250,000, which she attributed to a steep drop in income from government and foundation support, ticket sales and rental fees.

"It's frightening to me, what's happened to Off Broadway theater," Fiordellisi told The Times in 2010. "We have to adhere to the formula of having a film star in our productions to sell tickets because it's so financially prohibitive. I don't want to do theater like that."

**But eight months later, she reversed her decision because of a significantly reduced deficit, a new managing agent and the support of the theater's neighbors. Cherry Lane Alternative, the resident theater company Fiordellisi established in 1997, currently has a deficit of $100,000, a spokesman for the theater, Sam Rudy, said.**

**The theater, a Greenwich Village institution that has long been a testing ground for new work by emerging artists, reopened at full capacity last month with Jacqueline Novak's "Get on Your Knees," a comedy that offers a personal and intellectual history of oral sex. It is scheduled to run through July 31**.

Under Fiordellisi, Cherry Lane has mentored writers including Katori Hall, who won this year's Pulitzer Prize for Drama for "The Hot Wing King"; Antoinette Chinonye Nwandu, whose play "Pass Over" will begin previews on Broadway in August after being produced at the theater in 2016; and Jocelyn Bioh, whose "Merry Wives," a contemporary take on Shakespeare's "The Merry Wives of Windsor," is running at the Delacorte Theater in Central Park.

Cherry Lane was started by a group of artists who were colleagues of Edna St. Vincent Millay and has showcased work by Samuel Beckett, F. Scott Fitzgerald, Eugene O'Neill and Tennessee Williams. But despite its storied history, the theater had not staged a play in two years when Fiordellisi bought it for $1.7 million in 1996 and renovated it for $3 million.

Cherry Lane Alternative, the nonprofit producing group, said it expects to resume a scaled-back version of its acclaimed Mentor Project, which pairs emerging writers with established playwrights like Lynn Nottage, Branden Jacobs-Jenkins and Taylor Mac to develop and stage their work in the studio theater space. It will likely include one production per season instead of the typical three.

George Forbes, the Lucille Lortel Theater Foundation's executive director, said the foundation plans to announce new programming shortly.

Correction: July 19, 2021

An earlier version of this article misidentified the new owner of the Cherry Lane Theater. It will be owned by the Lucille Lortpel Theater Foundation, not by George Forbes, the foundation's executive director.

A version of this article appears in print on July 20, 2021, Section C, Page 3 of the New York edition with the headline: Cherry Lane Theater Sold for $11 Million. 

WALL STREET JOURNAL

# Eviction Ban's Expiration Leaves Renters in South Appearing Most Vulnerable

## Laws, procedures to evict tenants in some Southern states are among the most landlord-friendly in U.S.


**Nationally, about 18% of adult renters live in households that are behind on rent payments.**
**PHOTO: WILL DUNHAM/REUTERS**

**By Will Parker**
**Aug. 1, 2021 5:40 am ET**

A national ban on most residential evictions expired after Saturday, setting the stage for a potentially widespread displacement of low-income renters that looks poised to hit Southern states particularly hard.

The Centers for Disease Control and Prevention enacted the eviction ban in September to protect millions of tenants who were unable to pay rent due to financial hardship during the pandemic. The CDC has extended the moratorium three times. The White House said on Wednesday that only the U.S. Congress could extend it again, citing a Supreme Court ruling that a spokeswoman said limited the CDC's power to renew it. But lawmakers failed to reach an agreement to renew the ban.

Renters in Southern states are among the most vulnerable to the ban's expiration, U.S. Census survey data indicate. Mississippi, South Carolina and Georgia tenants are more likely to carry rent debt than the U.S. average, surveys show. Nationally, about 18% of adult renters live in households that are behind on rent payments.

Eviction laws and procedures in some Southern states are also among the most landlord-friendly in the country, which means many tenants could be evicted quickly once the ban lifts.

In Mississippi, tenants can lose their eviction case in court and be removed from their home on the same day. In Arkansas, landlords can pursue criminal charges for tenants who don't pay rent. And in western Tennessee, where a federal judge ruled that the CDC ban was unconstitutional, tenants are already getting evicted for nonpayment.

A number of other states, including New York and California, have local eviction moratoriums that will protect tenants even after the federal ban expires.

The prospect of a rise in evictions across the South would come at the same time that apartment rental prices are rising, making the ability for the displaced to find affordable homes even more difficult.

Rent increases in cities like Charlotte, N.C., Jacksonville, Fla., and Memphis, Tenn., have outpaced the rest of the country. In Atlanta, rents rose 12.7% during the past year, according to listings website Apartment List, exceeding the national average of 10.3%. Rents in some Atlanta suburbs have risen more than 20% during that period.

Maxine Vernon, an aircraft mechanic who was unemployed for most of the pandemic, faces eviction from her two-bedroom unit in Stonecrest, Ga., near Atlanta, after several months of missed payments.

When the landlord filed to evict her, the national ban kept her and her two teenage children in their home. But her landlord is already anticipating the ban's end. When Ms. Vernon began searching online for a new apartment, one listing caught her eye. Her landlord had already listed her current place, assuming her eventual eviction. The asking rent was $1,700 a month, a $500 increase over Ms. Vernon's rent.

Ms. Vernon said the $14,000 she owes in back rent and late fees is on her credit report. She's spent more than $1,000 on application fees for new apartments, she said, but has been rejected from five of them because of the eviction and the rent debt on her record. If the local marshal comes to put her out, she said she and her children have nowhere to go.

"This is my first eviction," said Ms. Vernon, who is 49 years old. "I don't even know where the local shelter is."

Large landlord trade groups have pushed for an end to the national eviction moratorium, pointing to their own mounting costs and debt obligations. The National Apartment Association last week sued the federal government for $26 billion in monetary damages due to the ban.

Thousands of smaller landlords across the U.S. have been struggling, too, and some have tried to work with their tenants. "I have a boiler bill. I still owe on my oil and it's accruing interest," said Lincoln Eccles, a Brooklyn, N.Y., building owner who is waiting for his tenants to get approved for rental aid.

Rental-assistance programs in most cities and states, including in the South, have been slow to distribute more than $45 billion in federal aid. DeKalb County, Ga., part of greater Atlanta, has distributed less than 10% of its available assistance.

Like most programs distributing federal aid, DeKalb doesn't allow tenants to receive the money directly, relying on landlords to voluntarily participate. It also only pays up to 60% of a tenant's missed rent. Ms. Vernon, who lives in DeKalb County, said that even if she receives the assistance, she doesn't have the cash on hand to pay off the other 40%.

Still, the U.S. Treasury Department said recently that many programs in the South and elsewhere are beginning to disburse funds faster. Mississippi has distributed about 6% of its available rent funding, though it has tripled its distribution rate in the past three weeks, according to the Mississippi Home Corporation, which administers the state's funds. The state recently started hosting in-person events where staff can help eligible renters complete applications.

Scott Spivey, executive director of the Mississippi Home Corporation, said ending the eviction moratorium will impede his state's efforts to help renters. "The assistance is available," he said. "We need time."

Mississippi tenants will have little recourse once the ban expires, said John Jopling, managing attorney of the Mississippi Center for Justice, a nonprofit law firm. Legal-aid attorneys are working to connect as many tenants with rental aid as they can, but there aren't enough lawyers to help everyone.

"There's one legal-services attorney for every 20,000 eligible clients," Mr. Jopling said.

**WALL STREET JOURNAL**

# Why Some Landlords Don't Want Any of the $50 Billion in Rent Assistance

## Building owners say the aid often has too many strings attached

**Items were gathered for removal during an eviction process in Galloway, Ohio, earlier this month.**

**PHOTO: STEPHEN ZENNER/GETTY IMAGES**

**By Will Parker**

**March 19, 2021 8:00 am ET**

A federal program designed to help people avoid eviction by paying their rent is running into an unexpected hurdle: Some landlords are turning down the payment, saying it comes with too many conditions.

Congress has allocated about $50 billion for rental assistance to stave off a surge in evictions of tenants who lost jobs during the pandemic and missed rent payments. The federal support is also meant to help struggling landlords who have to make mortgage payments and have been overwhelmed by tenants falling behind on their rent.

WSJ Podcast

YOUR MONEY BRIEFING


Eviction Looms for Renters While Relief Funds Are Slow to Arrive

00:00

But thousands of building owners across the country are rejecting the government offer. They say the aid often has too many strings attached, such as preventing them from removing problematic tenants or compelling them to turn over sensitive financial information to government agencies or contractors.

Their decision to forgo the cash could be costly for tens of thousands of renters who have been counting on that aid and who are vulnerable when the national ban on most evictions expires at the end of March, though the government could extend it again.

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The government has said the money should be used to help low-income tenants pay back part or all of their missed rent for up to 12 months.

In Houston, a nonprofit charged with administering pandemic rental assistance last year said more than 5,600 households who applied for money had a landlord who refused to take it.

In Boston, one tenant attorney said at least 20% of his current cases involve a landlord who refused the funds. "I've seen it happen more and more," said Brian Miller, an attorney at Greater Boston Legal Services.

The city of Los Angeles said that nearly half its tenants receiving rental assistance last year had landlords who declined to participate in the program.

States and cities have discretion over how the money is spent, including deciding whether tenants can obtain all or only part of what they owe. Some rental assistance programs pay directly to tenants, cutting out landlords that

refuse to acknowledge the program. But some tenants are finding that receiving the money directly doesn't always solve the problem, because some landlords are still unwilling to take it, according to housing attorneys and tenants.
A representative of the Treasury Department, which oversees funding at the federal level, declined to comment on landlord objections to some of the conditions set by local programs.
The federal eviction moratorium doesn't guarantee renters the right to renew their leases. When leases expire, that is when many landlords weigh the government's cash against the chance to remove a tenant the owner no longer wants in the building.


Tenants' rights advocates demonstrated in Boston in January.
PHOTO: MICHAEL DWYER/ASSOCIATED PRESS

That was the case with Christina Kelly, a home care aide in Omaha, Neb. She lived in a house with her 17-year-old son, paying $850 a month in rent. After losing her job and when unemployment insurance ran out in August, she fell behind on her rent. Her landlord moved to evict her in December after the lease was several months expired.
Ms. Kelly found a job at a telemarketing agency and was approved for pandemic rental assistance that would cover her back rent, plus one future month, totaling $3,000. But the landlord wouldn't accept it.
"His response was, 'It's too little, too late,'" she said.
A representative for the landlord didn't respond to requests for comment.
Landlord groups say building owners who won't take pandemic assistance are the exception. Real-estate trade groups have been some of the largest advocates of increased rental assistance, lobbying for more funds throughout the pandemic at both federal and local levels.
Still, some landlords are choosing to look for new tenants rather than stick with existing ones who haven't been paying.
'You're really putting them in a really difficult position, because they have ongoing obligations.'
— Amanda Gill, government affairs director for the Florida Apartment Association
"If you have someone who wasn't upholding their end of the contract…you're asking the housing provider to sign up for essentially another year of this person being in this unit unable to pay," said Amanda Gill, government affairs director for the Florida Apartment Association, a landlord trade group.
Ms. Gill said the majority of Florida landlords take rental assistance and work with tenants who are behind on payments. Some local programs are a better deal than others. In Broward County, Fla., for example, assistance programs will only pay up to 60% of a tenant's back rent if it exceeds one month. Some landlords are unwilling to take that 40% haircut.
"You're really putting them in a really difficult position, because they have ongoing obligations," Ms. Gill said.
Write to Will Parker at will.parker@wsj.com

**NEW YORK TIMES**

# C.D.C. Internal Report Calls Delta Variant as Contagious as Chickenpox

## Infections in vaccinated Americans are rare, compared with those in unvaccinated people, the document said. But when they occur, vaccinated people may spread the virus just as easily.

**Shoppers in Los Angeles. The C.D.C. now recommends that even vaccinated people wear masks in communities where the virus is surging because of the Delta variant.Credit...Marcio Jose Sanchez/Associated Press**

**By Apoorva Mandavilli**

**July 30, 2021Updated 10:00 a.m. ET**

The Delta variant is much more contagious, more likely to break through protections afforded by the vaccines and may cause more severe disease than all other known versions of the virus, according to an internal presentation circulated within the Centers for Disease Control and Prevention.

Dr. Rochelle P. Walensky, the director of the agency, acknowledged on Tuesday that vaccinated people with so-called breakthrough infections of the Delta variant carry just as much virus in the nose and throat as unvaccinated people, and may spread it just as readily, if less often.

But the internal document lays out a broader and even grimmer view of the variant.

The Delta variant is more transmissible than the viruses that cause MERS, SARS, Ebola, the common cold, the seasonal flu and smallpox, and it is as contagious as chickenpox, according to the document, a copy of which was obtained by The New York Times.

The immediate next step for the agency is to “acknowledge the war has changed,” the document said. Its contents were first reported by The Washington Post on Thursday evening.

The document’s tone reflects alarm among C.D.C. scientists about Delta’s spread across the country, said a federal official who has seen the research described in the document. The agency is expected to publish additional data on the variant on Friday.

requires action now,” the official said.

data suggest that vaccinated people are spreading the virus and contributing to those numbers — although probably to a far lesser degree than the unvaccinated.

Dr. Walensky has called transmission by vaccinated people a rare event, but other scientists have suggested it may be more common than once thought.

The agency's new masking guidelines for vaccinated people, introduced on Tuesday, were based on the information presented in the document. The C.D.C. recommended that vaccinated people wear masks indoors in public settings in communities with high transmission of the virus.
The Coronavirus Outbreak ›
Latest Updates
Updated
July 30, 2021, 10:41 a.m. ET20 minutes ago
20 minutes ago
Some Americans who spurned vaccination now want you to know how deeply they regret it.
Broadway audiences will need proof of vaccination and masks.
Los Angeles schools order weekly virus tests for everyone, vaccinated or not.
But the internal document hints that even that recommendation may not go far enough. "Given higher transmissibility and current vaccine coverage, universal masking is essential," the document said.
The agency's data suggest that people with weak immune systems should wear masks even in places that do not have high transmission of the virus. So should vaccinated Americans who are in contact with young children, older adults, or otherwise vulnerable people.
There are roughly 35,000 symptomatic infections per week among 162 million vaccinated Americans, according to data collected by the C.D.C. as of July 24 that was cited in the internal presentation. But the agency does not track all mild or asymptomatic infections, so the actual incidence may be higher.
Infection with the Delta variant produces virus amounts in the airways that are tenfold higher than what is seen in people infected with the Alpha variant, which is also highly contagious, the document noted.
Understand the State of Vaccine Mandates in the U.S.

College and universities. More than 400 colleges and universities are requiring students to be vaccinated for Covid-19. Almost all are in states that voted for President Biden.
Hospitals and medical centers. Many hospitals and major health systems are requiring employees to get the Covid-19 vaccine, citing rising caseloads fueled by the Delta variant and stubbornly low vaccination rates in their communities, even within their work force. In N.Y.C., workers in city-run hospitals and health clinics will be required to get vaccinated or else get tested on a weekly basis.
Federal employees. President Biden will formally announce on Thursday that all civilian federal employees must be vaccinated against the coronavirus or be forced to submit to regular testing, social distancing, mask requirements and restrictions on most travel. State workers in New York will face similar restrictions.
Can your employer require a vaccine? Companies can require workers entering the workplace to be vaccinated against the coronavirus, according to recent U.S. government guidance.
The amount of virus in a person infected with Delta is a thousandfold more than what is seen in people infected with the original version of the virus, according to one recent study.
The C.D.C. document relies on data from multiple studies, including an analysis of a recent outbreak in Provincetown, Mass., which began after the town's Fourth of July festivities. By Thursday, that cluster had grown to 882 cases. About 74 percent were vaccinated, local health officials have said.

Detailed analysis of the spread of cases showed that people infected with Delta carry enormous amounts of virus in their nose and throat, regardless of vaccination status, according to the C.D.C. document.
"This is one of the most impressive examples of citizen science I have seen," said Dr. Celine Gounder, an infectious disease specialist at Bellevue Hospital Center in New York. "The people involved in the Provincetown outbreak were meticulous in making lists of their contacts and exposures."
Infection with the Delta variant may be more likely to lead to severe illness, the document noted. Studies from Canada and Scotland found that people infected with the variant are more likely to be hospitalized, while research in Singapore indicated that they are more likely to require oxygen.
Still, the C.D.C.'s figures show that the vaccines are highly effective in preventing serious illness, hospitalization and death in vaccinated people, experts said.
"Overall, Delta is the troubling variant we already knew it was," said John Moore, a virologist at Weill Cornell Medicine in New York. "But the sky isn't falling and vaccination still protects strongly against the worse outcomes."

# THE REAL DEAL
# NY rent relief rollout inches forward as evictions loom
# State has distributed just $117K in rent relief from $2.7B pot, with 160K applications filed
# New York /
# July 26, 2021 10:17 AM
# TRD Staff

Gov. Andrew Cuomo (Getty, iStock)

The bumpy rollout of New York's rent relief for needy tenants continues at a snail's pace, with just $117,000 distributed to applicants as the eviction moratorium's expiration date nears.

The state has a $2.7 billion pot of funds to be distributed, but only a tiny sum has made its way to landlords since applications finally opened June 1. By the end of June, New York was one of just two states that had yet to send out any rent relief, according to the New York Times.

While funds are beginning to move at last, the state is still far behind others in terms of distribution. Demand is robust, with 160,000 applications filed as of Monday, the Times reported.

Research group National Equity Atlas analyzed census data to determine that more than 830,000 households in the state are behind on rent. The estimated debt of those households is $3.2 billion.

The state did expect more funds to be distributed last week, officials told the Times, but the system has been plagued by technical glitches. Some tenants have seen entire applications wiped while filling them out, while others have expressed frustration over an inability to save progress during the lengthy application process and return later.

The clock is ticking on getting aid to the people who need it, as the state's pandemic eviction moratorium is set to expire at the end of August. After that, housing advocates warn that many tenants will be forced out onto the street.

Concern is heightened for people in low-income neighborhoods who may not have consistent Internet access or a language barrier that makes it harder to fill out the applications.

Tenants are temporarily protected from eviction once they complete an application, even if it's still being processed or aid is still being distributed.

Read more

NY flooded with nearly 100K rent relief applications in two weeks

Rent relief in New York still weeks away

City program could supplement state rent relief — if next mayor signs off

[NYT] — Holden Walter-Warner

**THE REAL DEAL**

# Tenant advocates frustrated with Biden's eviction response

## Nationwide moratorium set to expire Saturday

**National /**

**July 30, 2021 10:30 AM**

**TRD Staff**

Rep. Alexandria Ocasio-Cortez and President Joe Biden (Getty)

As President Joe Biden scrambles to save the federal eviction moratorium, some tenant advocates are expressing frustration that he waited until the 11th hour.

The eviction moratorium is set to expire Saturday, which could leave millions of Americans in danger of being kicked out of their homes. Rep. Alexandria Ocasio-Cortez is among those lashing out at Biden, according to Bloomberg News.

Ocasio-Cortez said the situation could have been avoided with "more forthright leadership from the White House." Other lawmakers and advocates were also disappointed that Biden waited until Thursday to act after the Supreme Court ruled that the moratorium could not be extended without Congress passing legislation.

Read more
Biden to Congress: extend the eviction ban
Landlords in peril, tenants in distress: Expiring eviction bans foreshadow national reckoning
NY rent relief rollout slowly inches forward as evictions loom

On Thursday, Biden urged Congress to extend the ban on evictions past the end of this month. The White House cited the spread of the Delta variant and surge of Covid cases, which Bloomberg News reports had caught the administration off guard.

Not helping matters is the slow rollout of rent relief aid across the country. Only 635,000 households had received any relief by the end of June. The situation is particularly ugly in New York, which hadn't even rolled out $1 million of its $2.7 billion in rent relief as of last week.

The latest Census Bureau survey revealed that around 7.4 million households in the United States are behind on rent. Almost half of those could be facing eviction over the next two months once the moratorium ends.

# Rent relief in New York still weeks away
## Zero has been distributed as glitches mar rollout of aid
**New York /**
**July 14, 2021 10:17 AM**
**TRD Staff**

President Joe Biden and Gov. Andrew Cuomo (Getty, iStock)

New York continues to struggle in doling out rent relief, with the first payments still at least several weeks away.

The state has a $2.4 billion rent relief fund, provided by Congress. Its system has been plagued by technical issues, however, leaving it as one of just four states to fail to distribute a single dollar from the fund, according to the Associated Press.

The Cuomo administration says around 1.1 million renter households have been affected by the pandemic. Tenants and landlords can apply for assistance through an online portal, but four to six weeks are needed for applications to be processed. More than 100,000 applications were filed in the first two weeks after the portal went live June 1.

Read more

NY flooded with nearly 100K rent relief applications in two weeks

Rent relief hinges on dwindling good will

Low-income tenants saw rent debt jump during pandemic

But technical glitches have made it challenging for tenants and landlords alike to complete applications. Website bugs that have erased entire applications or made it impossible to upload essential documents.

Advocates are asking for a paper application option to be added for low-income applicants. Additionally, more resources are being requested to locate tenants and to force landlords to submit applications as needed. Landlords have also complained of tenants not cooperating with them, as is needed to apply.

Lawmakers are demanding action and scheduling hearings in response to the state's slow rollout.

Applications for assistance are expected to increase next month, as the state's eviction moratorium is scheduled to end Aug. 31.

[AP] — Holden Walter-Warner

**THE REAL DEAL**

# Rise in home prices frees banks to offload mortgage risk

## New kind of bond passes default risk to institutional investors

**National /**

**July 28, 2021**

**TRD Staff**


From left: JP Morgan Chase CEO Jamie Dimon, Citigroup CEO Jane Fraser and Texas Capital Bank CEO Rob Holmes (iStock, LowneyJen/Wikimedia, World Economic Forum/Wikimedia, Texas Capital bank)

Banks are among the institutions taking advantage of a hot housing market by shedding mortgage risk with a new kind of bond.

The bond shares the risk of mortgage and loan default with institutional investors. The bonds are backed by short-term loans made from banks to mortgage lenders, according to the Wall Street Journal. When people borrowing from those lenders default, bond investors essentially cover the loss.

Banks are raising capital with the bonds — products designed to protect Fannie Mae and Freddie Mac from a market downturn — which in turn allows them to lend more. Major banks including JPMorganChase and Citigroup are increasing sales of risk-transfer securities that are tied to mortgages.

Regional banks are getting in on the action too, with Texas Capital Bank selling $275 million of securities to investors as various parties try to take advantage of a mortgage-backed securities boom.

Investors are distinguishing the new bonds from products that helped trigger the financial crisis 13 years ago.

Backers say they are a niche product made possible by the hot housing market, which saw home prices hit the biggest annual increase for the market in 20 years back in May.

Of course, housing was also hot in the mid 2000s, but turned out to be a bubble that burst in 2007 and 2008. The current run-up differs in that it is powered in part by a low number of home listings and is occurring despite tighter lending standards.

Still, the higher risk of the new bonds is reflected in their yields. Investors in the riskiest version can reap more than 5 percent interest. That trounces the 1.89 percent yield of 30-year treasury bonds and eclipses the 4 percent for corporate bonds.

As of July 22, the average yield for mortgage-backed securities was 1.36 percent, an ICE Bank of America index reported. That was down from nearly 2.4 percent in February 2020.

[WSJ] — Holden Walter-Warner

Contact Holden Walter-Warner

**THE REAL DEAL**

# Slowdown in pending homes sales signals "turning point" for housing market

## Number of homes put under contract dipped 1.9 percent in June as rising prices deter some buyers

**National /**

**July 29, 2021**

**By Erin Hudson**

(iStock)

After surging in May, the pace of homes under contract fell 1.9 percent in June — both year-over-year and month-over-month — according to the National Association of Realtors' monthly index.

Lawrence Yun, NAR's chief economist, described recent ups and downs in the pending sales index as indicative of a "turning point for the market."

"Buyers are still interested and want to own a home, but record-high home prices are causing some to retreat," he said in a statement. "The moderate slowdown in sales is largely due to the huge spike in home prices."

Home prices broke records for the third consecutive month in May, according to the S&P CoreLogic Case-Shiller index.

By June, the median existing home price was $363,300, up 23 percent over last year and marking the 112 consecutive month of year-over-year price gains, according to NAR.

NAR's pending home sales index is generally seen as a forward-looking indicator of the pace of existing sales in one or two months' time, as home sales often take several weeks to close. The dip in June comes after pending home sales jumped 8 percent month-over-month and 13.1 percent year-over-year in May.

Yun said he expects sales activity in the Midwest to remain strong, as the region is the most affordable for buyers. Pending home sales logged year-over-year gains in both the Midwest and Northeast in June, while contract activity in the South and West regions dropped.

Contact Erin Hudson

**NEW YORK POST**

# Legal powerhouse Fried, Frank signals faith in FiDi with lease renewal

**By Steve Cuozzo**

**July 29, 2021**

Fried, Frank has been at the 50-story 1 New York Plaza, overlooking the harbor, since 1979.Lorenzo Ciniglio/Freelance

One of the city's most powerful law firms has reaffirmed its commitment to downtown Manhattan with the largest FiDi-area office deal since the start of the pandemic and the largest in the city this year.

Fried, Frank, Harris, Shriver & Jacobson renewed its 400,000 square-foot lease for more than 10 years at Brookfield's One New York Plaza.

The firm, renowned in the property world for its real estate department chaired by Jonathan Mechanic, has been at the 50-story tower overlooking the harbor since 1979.

The renewal will surely raise spirits in Lower Manhattan, which is struggling with a 20 percent vacancy rate — the city's highest. Brookfield executive vice-president Callie Haines termed the firm's commitment "an unmistakable sign of the city's recovery and resurgence."

Fried, Frank reopened its offices last September when most large tenants still worked mostly or exclusively from home. Mechanic strode in wearing a suit and "power" yellow tie — and never looked back. "Coming back is a turning toward normalcy," he said at the time.

**NEW YORK POST**

# The Hamptons is getting too expensive for locals: report

**By Jesse O'Neill**

**July 30, 2021**

Some of the locals driven an hour inland on Long Island for much more affordable groceries due to rising prices.Patrick McMullan via Getty Image

Affluent Hamptons residents are struggling to keep up with their new superrich neighbors — who hightailed it from Manhattan to the East End during the pandemic.

"There's so much money now it's nauseating," a longtime Amagansett homeowner told Vanity Fair. "I'm a 1-percenter. But I bear no resemblance to these people."

The unidentified woman told the outlet she now has to "work at relaxing," in a town that is "a different place now. It's the age of entitlement."

The local reportedly said she lives near a house owned by "one of those hedge fund guys" that had a new "enormous" fully-grown tree planted on the property day after day, and stopped to quiz the landscapers on the cost of the project.

"They said they thought $50,000 to $75,000 a day," she said, according to the article. "I would suspect it's closer to $100,000." "If I weren't here already, I wouldn't come now. The conspicuous consumption is just gross."

Another local, Heidi Wald, who has summered out east since childhood, told the magazine that cold hard currency is now literally littered on East Hampton's main beach."I looked down, as I'm always looking for sea glass, and there was a perfect crisp $50 bill on the shore. I thought, Only in the Hamptons," Heidi Wald reportedly said.

Kathryn Kellinger, another longtime local, told the magazine the beach community is no longer relaxed because of insane costs and a snobby "level of judgment."

"It's so expensive, there's no more livability. It's all about tablescaping and costuming," she said. "It's fever pitch now. The amount of people, and the amount of fun they insist on having—it's gotten more scheduled than New York City."

A 25-year-old told the outlet how she and 30 friends pooled together $3,000 each to rent a house in Montauk for a month, a cost that paled in comparison to the price of the town's entertainment.

"Tables are absurd," she reportedly said. "I've had friends who have ended the night with $7,000 bar bills."

The woman said she once spent $60 on a one-mile Uber trip, while another told the magazine about $600-plus rides between hamlets due to demand from "tourists."

Prices like that make the reported $88 lobster Cobb salad at Duryea's in Montauk seem reasonable, but even light lunches that leave you hungry can cost three figures in the area's ritzy restaurants.

One resident of the Hamptons said that Uber prices have risen due to the demands of "tourists" that come to the area.

"The bill was $300 for four people, and we didn't have any alcohol," said a woman who told Vanity Fair she thinks prices were much higher at a Bridgehampton eatery this year. "We had two iced teas, a frisée salad, Caesar salads with chicken, and some oysters."

One local said they've even driven an hour inland on Long Island for much more affordable groceries, according to the report.

Even as some Suffolk County locals struggle to keep up with the new Jones, certain newbies are looking to put down roots in the seaside sanctuary.

"Would love to see some of Manhattan folks that are spending more time out East to run for public office," a recent post on a Hamptons moms Facebook group reportedly read. "…Homes range from 5,000,000 to 150,000,000. We are the main source of money that flows through the system out here and why shouldn't more of us be public officials."

NEW YORK POST

# Rich people 'suffering' as Hamptons businesses can't find summer labor

By Beth Landman

July 24, 2021

With a summer shortage of hair stylists, manicurists, waiters and other service providers, Hamptonites are freaking out over losing their little luxuries.Getty Images/ NY Post photo composite

MORE ON:

This summer, the Hamptons' wealthy seasonal residents are learning a new word: "No."

Pity the nicely dressed gentleman who walked into Xavier Merat's chic Salon Xavier last week and asked for a manicure to go along with his haircut.

He was told — gasp — that it was impossible.

"He asked countless times before he walked out the door because he just didn't believe we weren't able to fit him in," Merat told The Post. "He was like a kid who wanted candy and couldn't get it."

Merat used to employ six manicurists at his Sag Harbor salon; now there are only three.

"Nobody wants to turn away business. It's frustrating because we have the space but not the manpower,'' Merat explained.

All over the East End, businesses are short-staffed this summer. You see the "For Hire" signs everywhere, from home services — lawn maintenance, pool care, plumbing — to salons, restaurants and tony boutiques.

Massive stores like Kmart in Bridgehampton, where even the wealthy (or their help) shop for household essentials, have only a few checkout lines manned and nobody on the floor to help customers. Adding to the mayhem, the area is more populated than ever, as people who might normally travel overseas have instead decamped east in full force.

Xavier Merat, who owns an eponymous beauty salon in Sag Harbor, has been turning away customers because of a stylist shortage. One panicked client is keeping him on a $300-a-day retainer to always be on call for her.Estefany Molina

Blame the skeletal labor force on three factors: a lack of J-1 visas due to COVID that prevented the usual influx of workers from Eastern Europe and Ireland; the increasingly prohibitive cost of staff housing; and the lure of collecting enhanced federal unemployment benefits.

"You have to throw so much money at people just to get them to show up for work," said Andrea Correale of -Elegant Affairs, a high-end catering company. "And many of them still won't come in before September when [the enhanced] benefits run out.''

It's all increased the need for exercising patience, a virtue not always displayed on the East End.

The diminished workforce has increased the cost of parties by more than 30 percent, Correale added, but even when price is no object, people often can't get the date or specifics they want.

"Our clients command a high level of service, so when you tell them you can't accommodate them 100 percent, they are not always thrilled," she said, adding that most DJs and cater-waiters were booked up for the season by

early June. "We are turning parties away left and right — it doesn't matter how much money they have to spend, the answer still has to be 'No,' a word they aren't accustomed to hearing.''
Bianka Lefferts, owner of 27 Hampton Salon in Southampton, said her clients are now booking their appointments a month ahead, and while she at one time had seven manicurists, there are now only two. Lefferts recently ran into one of her former nail technicians and asked if she would come back to work. But the ex-employee is thriving by doing only house calls — charging more and happy not to share the money with a salon.
Ian Duke has unexpectedly found himself behind the bar at his Union Sushi & Steak in Southampton — because he can't bring on enough staffers to accommodate summer revelers.
Although, Lefferts said, the nail tech refused her' plea return, she did look at the salon owner sympathetically and offered: "I'll come to your home if you really needed your nails done.''
Over at Manna, a restaurant that opened this month on Cold Spring Pond in Southampton, the crowds were piling up on a recent Thursday evening.
Hungry customers paced anxiously as platters of large crustaceans and seared wild salmon passed by, and the aroma of Thai curry mussels wafted from the dining room while the time for their reservations expired. Meanwhile, only half the tables were filled.
Adding to the chaos inside, hopeful diners continued to ring the phone incessantly. No wonder a newbie waitress retreated to the walk-in refrigerator in tears and had to be coaxed out.
"It's very stressful for those who are working," sighed Jesse Matsuoka, Manna's co-owner. "People are hearing good things and want to try the restaurant but we just can't keep up. We are a 200-seat restaurant and only operating at 100 seats."
That's not because of COVID restrictions, either.
Said Matsuoka: "I am turning away all this business because we don't have the staff to accommodate these people.''
Keeping cooks is also tough. "The kitchen side has become a war zone because wealthy [restaurant owners] are willing to increase the wage base to the point where smaller operators can't compete," he said.
Plus, "my top servers are walking away with $2,000 a week, but it's a lot of work and pressure," Matsuoka admitted. "Some kids figure they can make a decent amount of money with unemployment and pandemic payments while enjoying the summer playing video games, going to the beach and smoking weed."
Out of desperation, his partners have pressed their own children into service.
"If my son was slightly older than 9 months, I would put him to work at the host stand," Matsuoka joked.
Over at Union Sushi & Steak in Southampton, owner Ian Duke is filling in for the lack of staff by taking on a variety of roles, from doorman to dishwasher to bartender.
"Everybody in the restaurant business is working their butts off," he said. Although it had been a long time since Duke found himself on the working side of the bar, he's trying to see the silver lining in the situation. "You get to see all the things going on in your business in a firsthand way — though I would far rather be doing this in October than at the height of summer."
High-end caterer Andrea Correale on Hamptonites desperate to plan parties
Plus, he said, "customers find it extremely entertaining to see me standing behind the bar and they enjoy asking me to make them some new mule, but I actually like the interaction, and doing dishes is therapeutic."
One thing hasn't changed in the Hamptons, though. If you're willing to pay enough, money still talks.
Scared she wouldn't be able to beautify when needed, one yacht-residing client has salon owner Merat on retainer: $300 a day for the month. And that doesn't cover the actual cost of styling — an additional $600 fee for house (or yacht) calls.
"We all may be working double time,'' said Merat, "but leave it to clients in the Hamptons to provide us with stimulus checks."

**NEW YORK POST**

# NY updates rent relief program after Schumer slams Cuomo

**By Bernadette Hogan**

**July 27, 2021**

New York Gov. Andrew Cuomo launched a new application process for federal rental assistance.AP

MORE ON:

ALBANY — The state released a new application process for tenants and landlords seeking federal rental assistance on Monday — one day after Sen. Chuck Schumer slammed the Cuomo administration for slow-rolling payments to individuals at risk of evictions.

The submission process — slated to be updated on the state Office of Temporary and Disability Assistance's website by Tuesday, July 27 — is expected to speed up the administration of roughly $2.7 million in state and federal funding to up to 200,000 households, according to Gov. Andrew Cuomo.

"The COVID pandemic has taken a tremendous toll on New Yorkers all across the State, and they need rental assistance now," said Cuomo in a statement.

"The $2.7 billion Rental Assistance Program is already providing funding to some of our most vulnerable residents who were prioritized during the first 30 days of the application process, and now we must focus on delivering funds to the remaining applicants."

The state will also beef up its employee ranks to around 1,350 employees to help administer the dollars.

Although open to applicants since June 1, just $130,000 has been paid out to date to qualified individuals.

Sen. Chuck Schumer says that the Cuomo administration is failing to disburse the $2.4 billion in rent relief meant for New York.Ron Adar / M10s / MEGA

It's drawn ire from critics like Schumer, who have argued the further stalling of the program could make New Yorkers who owe back payments on rent or utilities vulnerable once the state's coronavirus eviction moratorium ends on August 31.

But the Senate majority leader praised the move Monday on Twitter, tweeting, "I'm glad NY is bringing in additional resources, personnel, urgency to address this…I fought to deliver $2.3B in tenant relief so hard hit NYers could pay their rent, utilities, avoid the threat of eviction or overwhelming debt…It's critical the money gets into their hands ASAP."

Qualified tenants may receive a maximum of 12 months-worth in back rental and utility payments and up to three months in prospective rental dollars.

Landlords must also waive late fees on rent that's past due, agree to not increase monthly rent and in the majority of cases, agree not to begin eviction proceedings for up to one year.

**THE REAL DEAL**

**M&T Bank reports late-stage delinquent loans more than doubled in past year**

**Lender has over $1B in debts over 90 days past due,**
**up from $535M a year ago**

**July 22, 2021**

**By Suzannah Cavanaugh**

M&T CFO Darren King (The Org and iStock)

Analyst expectations aside, M&T Bank enjoyed a profitable second quarter. The same can't be said for the homeowners who count the firm as their lender.

M&T posted adjusted earnings of $3.41 per share, shy of estimates, but nearly double the $1.74 per share in the same quarter last year. Second-quarter revenue, excluding brokerage services, hit $1.46 billion, beating consensus and topping the $1.1 billion in Q2 sales the bank posted in 2020.

Yet over the past year, M&T reported that late-stage delinquent loans — composed predominantly of residential real estate debts — more than doubled. As of June 30, 2020, M&T held $535 million in loans over 90 days past due; this year the firm reported $1.1 billion.

The surge brings the number of late-stage delinquent loans serviced by M&T to a level four times as high as it was before the pandemic.

As of March 2021, about 5 percent of mortgages had reached some stage of delinquency, data from CoreLogic shows. While rates of early-stage delinquencies slipped over the past year; the number of mortgages that have received no payments in 90 or more days climbed 1.2 percent, growth that reflects M&T's increase.

In 10 days, the expiration of a federal moratorium is expected to send the relatively low level of foreclosures — just 0.3 percent of all mortgages in March, per CoreLogic's estimate — spiking.

On the commercial side, M&T reported real estate loan totals consistent with figures seen through the pandemic. The bank lent $37.6 billion in CRE loans during the second quarter, about 1.1 percent more than the same period last year, and within tenths of a percentage point of prior quarters.

For most banks, lending trends ebbed during the early months of the pandemic. Commercial lending plummeted 30 percent from the first quarter of 2020 to the second, according to a report by CBRE. M&T, meanwhile, maintained its pace, underwriting 1 percent more commercial real estate loans during the same period.

M&T's Chief Financial Officer, Darren King, said he expects CRE loan growth to flatline or dip slightly over the coming quarters."When you look in the real estate space, not surprisingly, there's not a lot of activity going on," said Chief Financial Officer Darren King.

King said clients are not selling or paying off their loans — which would be a growth detractor — but the firm has also seen fewer construction starts and said developers don't have the appetite, currently, to grow their portfolios.

Read more

Mortgage requests, refinancings continue to drop

**Banks see CRE loans delinquencies hit 5-year high**

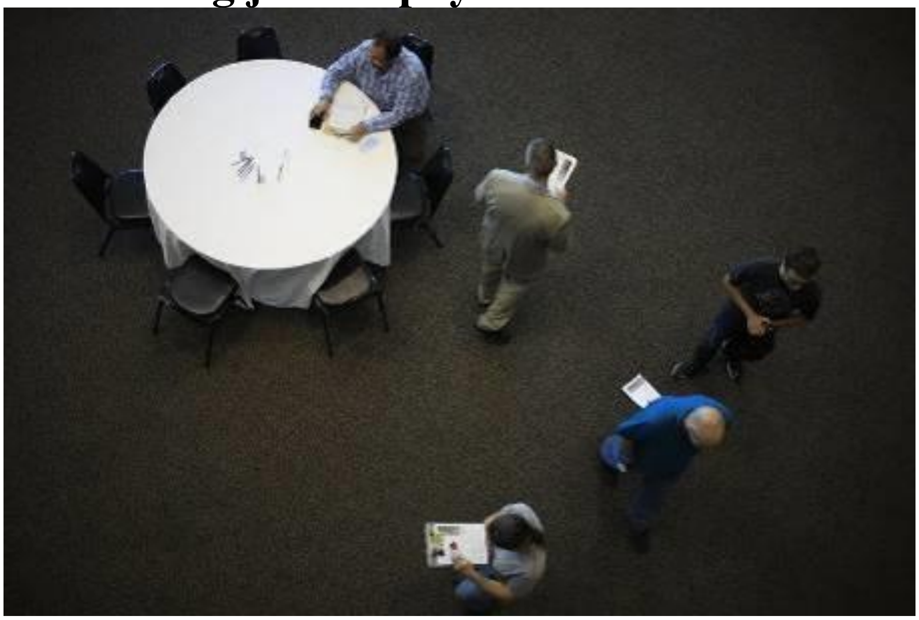
**Mortgage delinquencies jumped to highest rate in 20 years**

**Contact Suzannah Cavanaugh**

**WALL STREET JOURNAL**

# U.S. Unemployment Benefit Rolls Shrink, New Applications Rise

**Continuing jobless payments fell to the lowest level since March 2020**



A career fair in Louisville, Ky., in June. Initial claims for jobless benefits increased 51,000 last week, returning to a level last recorded in early June.

PHOTO: LUKE SHARRETT/BLOOMBERG NEWS

By Bryan Mena

Updated July 22, 2021 11:17 am ET

The number of Americans receiving jobless payments fell this month to the lowest level since early in the coronavirus pandemic, but first-time applications rose as supply constraints persist in the auto industry.

**Continuing payments made through all unemployment benefit programs fell by 1.3 million in the week ended July 3, to 12.6 million, the Labor Department said Thursday. That was the lowest level since late March 2020, when new programs responding to the pandemic first came online.**

In recent weeks about half of states have acted to end enhanced and extended unemployment benefits. The end of pandemic programs in Texas drove the latest decrease.

“The expectation is that this will spur more job-seeking among unemployed Texans as demand for labor improves,” said Gus Faucher, chief economist at PNC Financial Services. “Many employers have said that they would like to hire, but that the supply of workers has not kept up.”

Meanwhile, initial jobless claims, a proxy for new layoffs, rose by 51,000 to a seasonally adjusted 419,000 for the week ended July 17, the Labor Department said Thursday. The increase returned the new claims to near levels recorded in early June. The four-week moving average, which smooths out volatility in the weekly figures, increased by 750 to 385,250.

Economists said the increase could reflect seasonal adjustments in the data, which is typical in July, when the timing of the Independence Day holiday and scheduled factory shutdowns vary year to year.

The largest state-level increase came in Michigan, a state where auto production has been disrupted due to chip shortages. Kentucky, another state with auto plants, also reported a large rise in new jobless claims.

“I do not worry that this reading signals a sudden weakening in labor demand,” said Stephen Stanley, chief economist at Amherst Pierpont. “In fact, I am quite confident that it does not.”

Despite last week’s increase, initial jobless claims and continuing payments have both trended down this year, largely reflecting an improving economy and steady hiring.

U.S. employers added 850,000 jobs in June, the largest gain in 10 months, and workers' wages rose briskly, signs of a strengthening labor market.

Overall benefit payments had surged in the spring of 2020, as millions of laid off workers sought aid through state programs and others tapped programs established in response to the rise in unemployment during the pandemic. One new program made benefits available to self-employed and gig workers, who aren't typically eligible, and another allowed unemployed workers to remain on benefits beyond the six months or less most states allow. Washington lawmakers also made benefits more generous, adding $300 a week on top of state payments since late December.

Since rising above 33 million in June 2020, the number paid unemployment benefits has slowly fallen, though the pace of decline increased in recent weeks as many states moved to end pandemic programs. Pandemic program data isn't seasonally adjusted.

Continuing unemployment payments through regular state programs decreased by 29,000 to a seasonally adjusted 3,236,000 for the week ended July 10, also the lowest level since March 2020. Most people on those programs could remain on benefits if they haven't found employment, though many states have removed the $300 enhancement.

Many Republicans and some economists say the benefits provide a disincentive to taking lower-wage jobs. Many Democrats and other economists say the payments were a lifeline for workers laid off during the pandemic and helped stabilize the economy.

Colorado is among the states retaining enhanced benefits until September, when they are due to expire nationwide.

Guard and Grace, a steakhouse in downtown Denver, is experiencing a resurgence in business as diners venture out and tourism picks up, said General Manager Jeff Stoltman. But the restaurant is struggling to find workers to meet that demand, which he attributes in part to enhanced benefits, and as a result is keeping its dining room closed for lunch service.

"It's a slower process than it ever has been to find workers," said Mr. Stoltman. "People apply but don't show up for interviews. Maybe they're finding employment elsewhere, but it could also be they're meeting job-search requirements but don't really want a job."

Most states require unemployment recipients to demonstrate that they are actively searching for a job.

Employers Competing for Workers Turn to Signing Bonuses and Freebies

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Employers Competing for Workers Turn to Signing Bonuses and Freebies

Low-wage work is in high demand, and employers are now competing for applicants, offering incentives ranging from sign-on bonuses to free food. But with many still unemployed, are these offers working? Photo: Bloomberg

In the near future, the pace of the economy's recovery could hinge on the Delta variant of the coronavirus, and how the pandemic evolves. Many economists view the variant as a risk, but not a large enough one to change forecasts for robust growth in the second half of the year.

Others see a greater threat that could keep Americans on the sidelines of the labor force.

"Some people might just decide to stay home with their kids because what happens is that if schools close again, mandates become more severe, or if businesses don't reopen, people start to plan ahead," said Belinda Román, assistant professor of economics at St. Mary's University in San Antonio.

Write to Bryan Mena at bryan.mena@wsj.com

# I LOVE THE UPPER WEST SIDE NEWSLETTER

## Vacancies Hit Record – UWS One of the Emptiest Stretches

**Mike Mishkin July 20, 2021 Community**

**The latest report from commercial real estate firm CBRE states that Manhattan's retail vacancies have hit a record high, and a stretch of the Upper West Side has been contributing quite a bit to those numbers, Crain's first reported.**

During the second quarter of this year, there were 25 empty storefronts between 72nd and 86th Street. This makes it the third emptiest retail corridor which CBRE tracks. The area with the second most vacancies was between Battery Park and Chambers Street along Broadway, with 27. The emptiest area was Upper Madison Avenue, with 55 empty stores.



At the same time, the third largest lease transaction took place on the UWS, with CityMD leasing a 12,429 square foot space at 1841 Broadway.

The report also lists the UWS as the fourth most active neighborhood in terms of how much space was leased, which it tracks at 24,114 total square feet (between 7 lease transactions).

The average price per square foot for commercial spaces between 72nd and 86th Streets on Broadway was $229 during Q2 – a slight rise from $226 during Q1 but a large drop from the same period one year ago, when it was $243.

CBRE tracks 16 major retail corridors in the city, and the collective number of vacancies between them rose from 275 in Q1 to 290 in Q2.

"Leasing velocity in Manhattan decelerated in the second quarter of 2021, marking eight consecutive quarters of decline … The average retail asking rent in Manhattan's prime 16 retail corridors dropped 10.7% year-over-year."



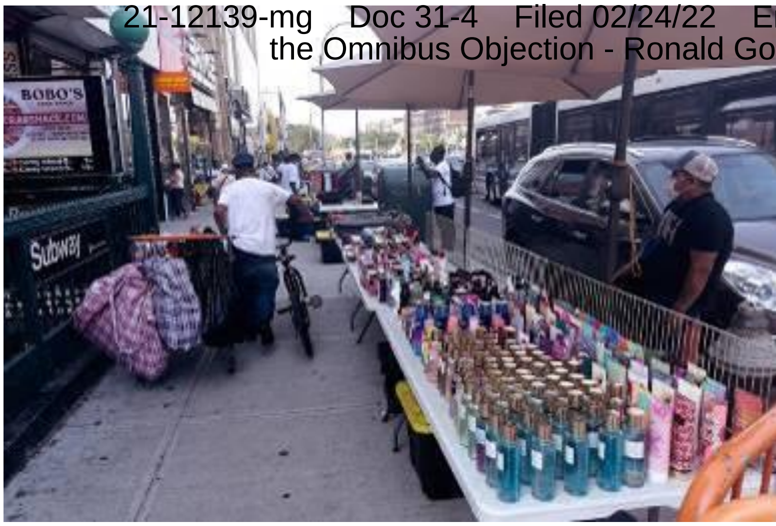
NEW YORK POST

new 'Illegal' vendors overrun Bronx strip with no cops to chase them

By Julia Marsh

July 19, 2021

Enlarge Image




Vendors and gamblers have taken over a commercial strip in The Bronx thanks to a new city law that moved enforcement responsibilities.New York Post

VENDORS

Illegal vendors and gamblers have taken over a commercial strip in The Bronx thanks to a new city law that moved enforcement responsibilities from the NYPD to an agency that lacks the authority to confiscate goods — or even demand identification from street hawkers.

“It looks like a bazaar in Istanbul,” said Marko Majic, head of business development for City Jeans on East Fordham Road.

“The only difference is in Istanbul it’s legal and organized and here it is illegal and unorganized,” Majic said.

Wilma Alonso, director of the Fordham Road Business Improvement District, recently counted 242 sidewalk vendors along the shopping corridor from Grand Concourse to Webster Avenue.

That same area has just 230 storefronts.

“They sell water, jewelry, masks, toys, counterfeit goods, anything you can imagine,” Alonso said, adding that hustlers even set up games of three-card monte.

Alonso called the situation a “public safety crisis,” citing a June 5 shooting on E. 188th Street near Grand Concourse that stemmed from a dispute with a vendor. Another vendor, who was not involved in the argument, was shot in the arm by a stray bullet, according to police.

There are over 200 sidewalk vendors from Grand Concourse to Webster Avenue.New York Post

Beefs between people hawking CDs in Times Square resulted in the shooting of a 4-year-old girl in May and a U.S. Marine in June.

The March 2021 law moved enforcement away from cops and handed it over to the city Department of Consumer Affairs and Worker Protection.

A spokeswoman for the agency confirmed to The Post that the law doesn’t even call for it to be fully operational until September.

“The truth is, the City Council was very short-sighted thinking about the ramifications and the damage they would be doing to the business community,” Alonso said about the new law.

Her members haven’t been able to participate in pandemic-era programs like outdoor dining or open storefronts because of the sidewalks being overrun by illegal vendors.

Between January and July, 311 complaints about illegal vending across the city jumped by 14 percent compared to the same period in 2019, before the coronavirus pandemic.

The agency has done “educational walks” in high-complaint areas like Fordham Road and Times Square, but just started doing inspections on June 1. Since then, it has conducted 13 inspections and issued just eight violations along Fordham Road including several to John and Jane Does after vendors refused to provide ID.

The shops sell almost anything, from water, jewelry, masks, toys and counterfeit goods.New York Post

“We were stunned to learn on a day when there were hundreds of unauthorized vendors, only [a few] summonses were issued,” Alonso said.

When a Post reporter visited the area last week, none of the vendors had licenses displayed. Their fold-up tables held everything from face masks to iPhone chargers and Gucci knockoffs. In one section, a group of men were shouting over a heated game of three-card monte.

The vendors refused to answer the reporter's questions, and some even followed him as he tried to approach shoppers.

"Because of them we almost have no business," said Mahmood Tariq, owner of Phones & Games Center on the corner of East Fordham Road and Webster Avenue.

"These vendors, they have nothing to pay and they're making much more money than us because everything goes to pocket. We have to pay taxes, we have to pay licenses, rent, other fees," Tariq said.

The NYPD started partnering with DCWP to crack down on illegal vendors in Times Square after turf wars between CD sellers led to the shootings of innocent victims visiting the tourist destination.

The sidewalk vendors have been pushing out business of some storefront shops.New York Post

While the area hasn't seen similar violence, Fordham Road business owners hope the NYPD will step in to restore order.

"Our customers want to come and shop in peace. They don't want to fight to get in the store because outside someone occupies 50 percent of the space," said Majic, whose family-owned company employees 150 people at nine stores across The Bronx.

"The only time we had enforcement on Fordham Road was the riots. You can't even call the police they don't pick up," Majic said.

"The inspectors can't force them to give proper identification. So who are you writing the ticket to? John Doe? That's pretty much a joke," Majic said.

Margaret Chin, the Democratic Manhattan councilwoman who sponsored the bill that put DCWP in charge of enforcement, was unapologetic about the new law's unintended consequences — and even suggested the unlicensed, unregulated and unaccountable vendors should just be left alone.

"[Business improvement districts] and chambers of commerce, they should also try to see these are small businesses, too. They're micro-businesses. They should really work with them and help them," Chin said of the illegal vendors.

Fordham Road business owners hope the NYPD will step in to restore order.New York Post

"If there are illegal activities going on we should, you know, kind of get rid of those so the legitimate people who are trying to survive can make a living," Chin said.

She noted that she fought for $3 million in funding for DCWP's new enforcement wing, which has already issued 199 violations citywide ahead of its official September opening. City administration law hearings for the summonses started just last week.

Chin encouraged people to call the NYPD if they see counterfeit goods being sold.

Asked if cops would start to crackdown on Fordham Road vendors, a DCWP spokeswoman cited the partnership with police in Times Square and said the agency "will continue to work with them as needed."

Additional reporting by Nolan Hicks, Len La Rocca, Tina Moore and Craig McCarthy

**THE REAL DEAL**

# $45M penthouse helps Manhattan's luxury market rebound from five-month low

## Buyers inked 33 contracts for properties asking over $4 million last week

**New York /**

**July 19, 2021 05:32 PM**

**By Erin Hudson**

30 Park Place PH78A and 67 Vestry Street (StreetEasy, CityRealty)

The Manhattan luxury market has picked up where it left off.

Buyers last week signed 33 deals signed for properties asking $4 million or more, a week after the count dropped to 28, the lowest number since February.

The holiday-week slump had ended an unprecedented string of weeks with 30 or more deals, according to the Olshan Report, which tracks the volume and value of Manhattan luxury contract signings.

"The market doesn't show any indication of easing up," said Donna Olshan, the report's author. "The only reason why the streak ended was because it was July Fourth."

Read more

Summer lull hits Manhattan's luxury market

Manhattan luxury home market braces for dog days

Brooklyn contracts cool as summer heats up

The most expensive property locked up last week was a 6,207-square-foot triplex penthouse at 67 Vestry Street asking $45 million. The four-bedroom unit has four terraces spanning 1,875 square feet. If the sale closes at the contract price, it would be the most expensive in Tribeca this year.

The second priciest listing to go into contract was a duplex penthouse at 30 Park Place. The 6,127-square-foot unit has three bedrooms and two spacious loggias. The seller paid $30 million for the condo in 2017 and was asking $39.5 million.

Of the 33 deals hammered out last week, 23 were for condos while just six were for co-ops and four were for townhouses. The total asking price volume was $326 million and the median price was $6.15 million.

The average discount from the original to the final asking price was the lowest of the year at 3 percent, according to Olshan. The prior week's average discount was 9 percent.

"It might be a one-week wonder," said Olshan, who pointed to the continued spread of the Delta variant and low vaccination rates as causes for concern. "I don't predict that prices are going to go up."

Contact Erin Hudson

**WALL STREET JOURNAL**

# Dow Falls More Than 700 Points in Worst Day Since October

## S&P 500, Nasdaq slide as investors punish travel shares

**By Joe Wallace, Alexander Osipovich and Frances Yoon**

**Updated July 19, 2021 4:40 pm ET**

Surging Covid-19 cases in many parts of the world have prompted investors to dial down economic growth expectations.

The Dow Jones Industrial Average declined more than 700 points on Monday—its worst session since October—as anxiety mounted over the spread of the Delta coronavirus variant and its potential impact on the global economy.

The Dow ended the day down 725.81 points, or 2.1%, at 33962.04, its worst day in almost nine months. The S&P 500 fell 68.67, or 1.6%, to 4258.49. The technology-heavy Nasdaq Composite declined 152.25, or 1.1%, to 14274.98, its fifth consecutive losing session. Monday's losses marked an acceleration after U.S. stock indexes retreated last week, snapping a three-week winning streak.

The yield on 10-year Treasury notes fell to 1.181%—its lowest level since February—from 1.30% Friday. Bond yields fall when bond prices climb.

Futures on Brent crude, the international benchmark, tumbled 6.8% to $68.62 a barrel, their lowest level since May.

Investors sheltered in the safety of government bonds, and oil prices fell after the Organization of the Petroleum Exporting Countries and a Russia-led group of big producers agreed to raise production.

The moves were reminiscent of trading patterns that prevailed in the early days of the pandemic. Investors sold shares of companies directly affected by restrictions on movement and business, while buying government bonds and stocks that stood to benefit from renewed lockdowns.

American Airlines Group, AAL -4.14% United Airlines and cruise operator Carnival all dropped between 4% and 6%. Energy producers Marathon Oil and Diamondback Energy both fell more than 5%.

Stocks that climbed included supermarket chain Kroger, KR 4.34% which rose $1.71 a share, or 4.3%, to $41.07. Online crafts marketplace Etsy ETSY 3.20% gained $5.91, or 3.2%, to $190.33.

"The market has been due for a pause or pullback or, dare I say it, a correction," said Hans Olsen, chief investment officer of Fiduciary Trust.

Surging cases of the coronavirus in many parts of the world, including highly vaccinated countries such as the U.K., have prompted investors to dial down their expectations of economic growth in the coming months. Last week, some of California's most populous counties either reimposed mask mandates or recommended wearing masks indoors to fight the Delta variant.

"The emergence of this more highly transmissible Delta variant…has brought into the question the sustainability of this reopening and the recovery," said Candice Bangsund, a portfolio manager at Fiera Capital. Still, she said

the variant would delay rather than derail a big pickup in economic activity and called the selloff a chance to scoop up shares of energy producers, industrial firms and financial companies.
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0:00 / 7:55

What the Inflation of the 1970s Can Teach Us Today
The inflation rate reached a 13-year high recently, triggering a debate about whether the U.S. is entering an inflationary period similar to the 1970s.
Despite Monday's selloff, the S&P 500 is up more than 13% this year and closed at a record just one week ago.
Some investors also are concerned that rising prices will pinch consumption and prompt central banks to withdraw stimulus, creating an environment of lower growth and higher inflation in which stocks tend to struggle.
Inflation accelerated to a 13-year high in the U.S. in June. Some evidence suggests that the price increases have started to knock consumers' confidence in their ability to keep spending. For much of 2021, business reopenings, rising vaccination rates and government pandemic aid have helped propel rapid gains in consumer spending, the economy's main driver.
"What you're seeing is a sense that the consumer is starting to be affected quite significantly" by the jump in prices, said Sebastien Galy, senior macro strategist at Nordea Asset Management.
All 11 sectors of the S&P 500 dropped Monday. Energy and financials were the worst-performing groups.
One bright spot was Five9, FIVN 5.92% which jumped $10.52, or 5.9%, to $188.12. Zoom Video Communications ZM -2.15% agreed to buy the provider of cloud-based customer-service software in a deal valuing the firm at $14.7 billion. Zoom shares shed $7.77, or 2.2%, to $354.20.
The National Bureau of Economic Research said Monday that the U.S. officially climbed out of a recession in April 2020. The pandemic-driven recession was two months long, making it the shortest on record, according to the bureau, the official arbiter of U.S. recession dates.
Looking ahead, investors will be monitoring corporate earnings this week for signs of how companies are faring amid the revival of economic activity. Air carriers American and United are among the hundreds of companies set to report quarterly results this week, along with Intel, INTC -0.60% Netflix NFLX 0.37% and Chipotle Mexican Grill. CMG -0.60%
Overseas, major stock markets retreated amid fears of the Delta variant. The Stoxx Europe 600 slid 2.3%, dragged down by shares of travel, leisure and commodities companies, as well as banks.
In Asia, technology giants Alibaba and Tencent weighed on Hong Kong's Hang Seng Index, which fell 1.8%. Japan's Nikkei 225 dropped 1.3%. More athletes and staff members attending the Tokyo Olympics have tested positive, while cases are surging in Indonesia. Sydney, Australia's most populous city, is under lockdown because of a Delta outbreak.

David Chao, a market strategist at Invesco, said the spread of the Delta variant across Asia, coupled with low vaccination rates and expectations of additional social-distancing measures, has "taken wind out of the sail for many investors expecting an economic rebound" in the region.
Mr. Chao said he expected investors to continue to pull funds out of Asian stocks and shift them to shares in developed markets with high inoculation rates, such as the U.S. and U.K.

**WALL STREET JOURNAL**

# Oil Prices Slide on Fears Delta Variant Will Crunch Demand

## Crude fell alongside stocks and government-bond yields as traders worried about possible economic slowdown

U.S. crude futures are more than 10% below last week's multiyear peak, a drop that marks correction territory.
PHOTO: KYLE GRILLOT/BLOOMBERG NEWS

By Hardika Singh
Updated July 19, 2021 3:21 pm ET

**Oil prices slid Monday, recording their biggest one-day drop in 10 months as investors worried that the spread of the Delta variant of coronavirus will halt travel and dent demand for fuel.**

**U.S. crude futures tumbled 7.5% to $66.42 a barrel, their worst day since early September. Prices are now more than 10% below last week's multiyear peak, a drop that marks correction territory. They are still up sharply for the year.**

Traders in recent days have unwound some wagers that oil demand will continue to climb as more consumers get vaccinated and resume normal travel patterns. Hopes for a demand surge have buoyed oil throughout the year, but rapidly climbing coronavirus cases in some parts of the world are forcing investors to pare back their expectations for the economy. Some traders also remain wary of more travel shutdowns, which would have an outsize impact on oil prices.

"If we stagnate or retrace some of the demand increase we've seen thus far, the market will move from being undersupplied to oversupplied into the back half of the year," said Rebecca Babin, a senior energy trader at CIBC Private Wealth, U.S.

Brent crude, the global gauge of oil prices, ended the day down 6.8% at $68.62 a barrel.

Oil's decline came as stocks also fell on concerns about the economy. Investors on Monday sought shelter in ultrasafe government bonds, pushing down the yield on the benchmark 10-year U.S. Treasury note to around 1.2%. Yields fall as bond prices climb.

Energy traders also were weighing the news that large global suppliers are set to gradually raise output in the months ahead. The Organization of the Petroleum Exporting Countries and allies including Russia agreed to ease production curtailments in response to a recent demand recovery, though the Delta variant's course could change the group's plans.

**THE REAL DEAL**

# Flurry of 8-figure deals highlight top Hamptons sales in June

## New listings include a $75M "fixer upper" and a $69M estate for sale for the first time in 75 years

**Tri-State /**

**July 16, 2021 03:00 PM**

**By Bill Egbert**

258 Horsemill Lane in Southampton

The Hamptons housing market continues to sizzle even with summer in full swing. Several buyers forked over eight-figure sums in June for homes offering amenities beyond the typical gunite pools and tennis courts — such as apple orchards, outdoor kitchens, 12-person Jacuzzis and even trees growing up through the middle of the house.

There were also some notable listings, including one East Hampton property hitting the market for the first time in 75 years and a nearly century-old "fixer-upper," which could be the priciest sale so far this year — if it snags its asking price.

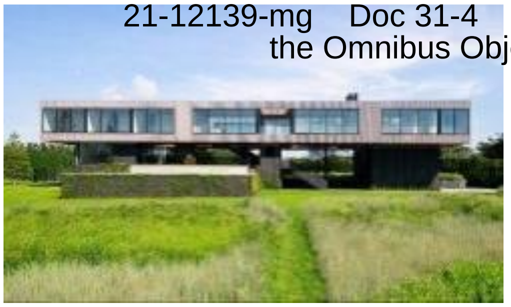
Top 5 June sales

258 Horsemill Lane (Out East)

1. 258 Horsemill Lane, Southampton

$28 million

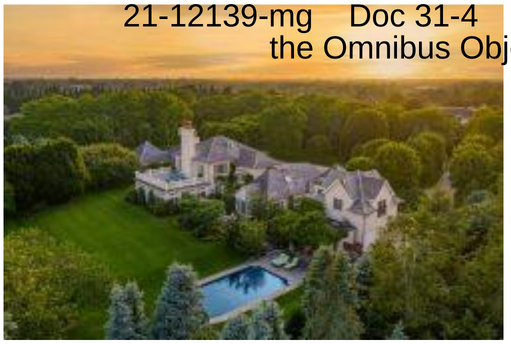
Eight months after selling his Southampton estate for $15.5 million, billionaire investor and fashion mogul Chris Burch paid $28 million for a 12,000 square-foot home at 258 Horsemill Lane in Southampton, according to Miller Samuel. Located on seven acres with an apple orchard and rose garden, the mansion has five bedrooms, six and a half bathrooms, a guest cottage and a heated pool flanked by rows of sycamore trees. The estate is surrounded on three sides by land that has been farmed by the same two families since the 1600s. It also has 360 feet of water frontage on Mecox Bay, including a dock.



347 Jobs Lane (Corcoran)
2. 347 Jobs Lane, Bridgehampton
$25 million
This newly constructed modernist manse in Bridgehampton closed in early June, according to Miller Samuel. It was built around two in-situ trees and features floor-to-ceiling windows along nearly every wall. It has seven bedrooms and eight and a half bathrooms. The 10,000-square-foot waterfront home also includes a heated oversized gunite pool, its own dock, a tennis court and a covered outdoor entertaining space with a full kitchen.

520 Captains Neck Lane (Out East)
3. 520 Captains Neck Lane, Southampton
$18.7 million
This three-story, 8,300-square-foot, circa 1890s Southampton home sold in late June, according to Miller Samuel. It features eight bedrooms, nine and a half bathrooms, three fireplaces and a large covered patio. The second floor offers a water-facing master suite with a deck. The historic shingle-sided house, which sits on more than 3 acres with 350 feet of direct waterfront on Taylor Creek, boasts a pool, dock and tennis court with a separate tennis house.

57 Jared Lane (Corcoran)
4. 57 Jared Lane, Sagaponack
$17 million
Built in 1976, this Southampton home sold in late June. The seller was represented by JNC Halsey LLC and the buyer by 1384 Meadow Lane LLC. The property, which spans 2,244 square feet, sits on about 3 acres. Amenities include a heated pool and tennis court. Corcoran’s Tim Davis handled the sale. The home was listed in July 2019 for nearly $22 million, per Out East. It had sold for $16 million in early December, property records show, suggesting that it was flipped in less than four months for a tidy $4 million profit.



22 Fordune Drive (Bespoke)
5. 22 Fordune Drive, Southampton
$13.5 million
This 8,970-square-foot Southampton retreat was originally listed for nearly $17 million, but it sold for only $13.5 million, according to Miller Samuel. It has eight bedrooms, eight full baths, two half-baths, a guest wing with four private en-suite bedrooms, a sitting room and a separate entrance. The master suite has two dressing rooms and two full bathrooms, one with a large soaking tub. Outside, there's a heated gunite pool, tennis court and full outdoor kitchen with a covered dining area. It all sits on a 3-acre estate that abuts 23 acres of agricultural reserve and features an apple orchard and a koi pond with two waterfalls.

Listings to watch

840 Meadow Lane (Tim Davis)
840 Meadow Lane, Southampton
$75 million
A 22,000-square-foot Tudor-style mansion, billed as a "fixer-upper," listed last month for $75 million — which could make it the priciest Hamptons home sale so far this year if it makes its ask. The 12-bedroom, 12-bath home sits on an eight-acre estate with 500 feet of beach frontage and includes a beachfront deck, pool and tennis court. The mansion's owner is an LLC tied to the family of the late attorney and real estate investor Julia Vance Carter. She died in 2014 and the home has been in the family for decades. Listing agent Tim Davis with the Corcoran Group said that the 92-year-old manse is in "fair to good condition" and expects a buyer to take up an extensive renovation.

201 Lily Pond Lane (Compass)
201 Lily Pond Lane, East Hampton
$69 million
An East Hampton property nicknamed Cima Del Mundo ("top of the world") is on the market for the first time in 75 years. Built in 1925 and renovated in 1994, the home has eight bedrooms, seven and a half bathrooms and five fireplaces. On the exterior are a pool, pool house, terraces and second-floor deck, all on 2.7 acres with 400 feet of ocean frontage. Ed Petrie of Compass has the listing.

**THE REAL DEAL**

# Abandon hope, all ye who work here: Hamptons workers shut out

## Concern is growing that the South Fork has priced out its workforce

**Tri-State Issue /**

**July 19, 2021 01:15 PM**

**By Laura Euler**


As $812 million mansions are snapped up by financiers as fast as they can be built and it's hard to find a seat on a helicopter trip to the Hamptons, the people who build the houses there leave in pickups and vans around 4 p.m. each day. The road out is bumper-to-bumper.

The trade parade, as it's called, exists because most workers cannot afford a home in the area. In 2020, its median home price was $920,500, according to Miller Samuel. In all of Suffolk County, it was $402,000.

Why don't blue-collar folks rent instead? If only.

Year-round rentals have become increasingly scarce because landlords east of the Shinnecock Canal can profit more by renting for just the summer. Add in the rise of sites such as Vrbo and Airbnb — and pandemic relocations — and the result for tenants is that 12-month rentals are like gold dust.

Instead, skilled tradespeople must commute from Riverhead or even Brookhaven, causing traffic and stress for everyone. Meanwhile, a close-knit community of middle-class locals is being lost.

Even for professionals with healthy incomes, the problem is acute. Take Chimene Macnaughton, a hospitality executive, and her husband, Craig, who has a photo business. "I've lived out east full-time for 17 years," Macnaughton said. "Originally, I paid $300 a month for a quarter-share winter rental in East Hampton. Now, my husband and I pay $2,750 per month, plus utilities, for 1,250 square feet."

And that's the good news. The bad: Staying could cost them more than twice that.

"We have to move. Our lease has ended, and our landlord wants to jack up the rent, but we haven't even found a whisper of anything under $6,000 per month for year-round," Macnaughton said. "And a lot of these are former summer homes, poorly insulated, with electric heat."

The fall should bring renters some respite. "We're just now starting to see post-Labor Day availability that starts with a 4," said Macnaughton, who called $4,500 "bare-bones entry level" for what cost $2,000 pre-pandemic. But hanging on until then presents another challenge.

"When we signed our standard two-year lease in early 2019, we thought nothing of the fine-print, $500-a-day holdover clause," she said. "Well, our landlord is attempting to enforce it." That debt is up to $32,500.

Without eviction moratoriums, the couple might have been sent packing by now, despite staying current on their regular rent.

Buying is not a great option either, as home prices have soared. “The pandemic has accelerated trends that were already in motion, and affordable housing and finding employees on the South Fork is certainly one of them,” said Assembly member Fred Thiele, a Southampton native.

“Inventory for people who live or work in the community who might want to rent or buy a year-round home is lower, and buying is a lot harder,” the 67-year-old lawmaker said. “Pre-pandemic, affordable housing was a severe problem. Now, I would say it’s a crisis.”

Another issue for Hamptons workers is their commute. “I see lack of both housing and public transportation hand-in-hand because people who can’t afford to live here live further to the west and they have to drive here for their jobs in the morning,” Thiele said. “Nobody wants to sit in traffic for a couple hours every morning to get to their job.”

Thiele has been working to increase affordability, but it has been far more difficult than establishing the Community Preservation Fund, which he introduced in 1998. As he points out, it’s easy to find people who want open space, but not everyone wants affordable housing next door.

However, given the pandemic’s effect, more people now see something needs to be done. Thiele calls community housing the open-space fund’s “little sister.”

The 2 percent tax on East End land sales that feeds the fund has likely made housing more expensive by limiting the supply, but soon a new law could promote affordability.

A bill that awaits the governor’s signature would let the towns of East Hampton, Riverhead, Shelter Island, Southampton and Southold establish community-housing funds to aid the development of affordable housing for sale and rent, the rehab of buildings for community housing and the acquisition of existing housing.

Income-eligible residents and local employees who are first-time homebuyers could also get financial assistance from the fund for up to half the purchase price.

“This law is one just tool that we need for affordable housing here,” Thiele said. “I don’t see it, by itself, as a silver bullet. I still think we need to do more. There’s a lot of interest in what the state can do to incentivize accessory apartments.”

Paul Monte, president of the Montauk Chamber of Commerce, said another issue is seasonal workforce housing, particularly in Montauk, the most summer-based economy on the East End. He said that East Hampton Town has done a lot to help with affordable housing, but “there has been no attempt at all to do anything of substance to solve our seasonal housing issue. Many people will say, well, that’s a problem that the businesses have to solve on their own because they’re the ones that are benefiting from the seasonal employees.”

The biggest obstacle to creating such housing, Monte said, is zoning and wastewater issues, which employers cannot overcome by writing checks. “If the town and the county worked together with the business community, that problem could be alleviated to a large degree,” he said.

Seasonal housing could be dormitory buildings, mobile homes or tiny homes, perhaps on commercial properties. Why isn’t this done today? Monte says, “It’s a legislatively created obstacle, which was done for certain reasons, but the fact is we cannot now have more than four unrelated people in a rented home unless the owner of the home lives there also.” New York City has a similar law, written ages ago to ban boarding houses.

“There’s no reason,” Monte said, “why a four-bedroom, five-bedroom house couldn’t have eight or 10 occupants, two people to a bedroom, and to be able to accommodate them comfortably and efficiently and safely.” Back in the day, business owners would rent a place for employees to do just that, but they can’t any longer, legally or financially. Most local businesses are small and have limited resources.

Dr. George Dempsey, an East Hampton general practitioner, has seen his practice grow in the past year with more new patients from New York City and more year-rounders. He’s added employees, but local housing for his nurses, receptionists and other support staff is out of reach. Many of them endure long commutes.

“People are coming out here to work despite all the obstacles, because rates of pay are so much higher,” he said. “But they have to sit in two hours of traffic just to get to work.”

Dempsey thinks the community needs thousands more units, which he said would require looser restrictions on accessory apartments, among other changes.

“I’d like to see increased density in the villages. Senior housing would be great in downtown East Hampton, so seniors could walk around the village and be part of the community,” he said. “The community that we had here for hundreds of years is rapidly just disappearing.”

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# CRAINS NEW YORK BUSINESS
## July 15, 2021 02:02 PM
## Manhattan retail vacancies hit a record high
## EDDIE SMALL

Bloomberg

Manhattan's retail market is still reeling from the devastating impact of the pandemic, with the number of vacancies in the borough hitting a record high, according to the latest report from CBRE.

The number of ground-floor availabilities along the 16 major retail corridors that CBRE tracks increased from 275 in the first quarter to 290 in the second quarter. Leasing velocity dropped for the eighth quarter in a row, and average asking rents dropped for the 15th quarter in a row, the report says.

Upper Madison Avenue had the most vacancies by a wide margin last quarter (55), followed stretches of Broadway between Battery Park and Chambers Street (27) and from West 72nd Street to West 86th (25).

The average asking rent fell to $615 per square foot, a 10.7% drop year over year and a 0.6% decline quarter over quarter, to hit the lowest mark in almost a decade. They fell most sharply on Spring Street in SoHo, going from $631 to $487—a 22.9% decline.

The only corridors to see year-over-year increases in rent were Herald Square, where they increased from $486 to $500, and Prince Street in SoHo, where they rose from $437 to $469.

This major pandemic protection for commercial tenants is coming to an end

The sum of leased square footage in Manhattan during Q2, Q3 and Q4 from last year and the first quarter of this year was about 1.3 million square feet, a 15% drop quarter over quarter and a 60% drop year over year.

Bottom of Form

SoHo recorded the most leasing activity during the second quarter: 47,000 square feet across 13 deals, led by luxury jewelry brand Vashi taking more than 11,000 square feet at SL Green's 110 Greene St. for its first location in the city. French apparel brand AMI Paris and Canadian coat brand Kanuk also opened their first Manhattan locations in SoHo last quarter, with AMI Paris taking 2,500 square feet at 77 Greene St. and Kanuk taking 4,000 square feet at 75 Greene.

The Plaza District was relatively busy, with about 32,000 square feet of space leased across two deals: Spanish apparel brand Mango preparing to take over Ralph Lauren's former 28,000-square-foot flagship at 1,436 Fifth Ave. and Shake Shack taking 3,200 square feet at 399 Park Ave.

The food and beverage category was the most active last quarter, both in terms of total deals, 23, and total square feet, more than 83,000, according to the report. The largest lease in the category was La Casa del Mofongo taking 15,000 square feet at 29 W. 36th St., followed by Mezeh Mediterranean Grill taking 7,800 square feet at 900 Broadway.

There are reasons for optimism in the retail market, such as growing momentum behind the return of office workers and the lifting of government occupancy restrictions, according to Nicole LaRusso, senior research and analytics director at CBRE. She stressed that it is still a good market for retail tenants looking for favorable leasing terms.

"Opportunistic retailers are taking advantage of the tenant-favorable market conditions," LaRusso said, "successfully negotiating enhanced tenant improvement allowances, free rent, flexible term lengths and percentage-rent deal structures."

**CRAINS NY BUSINESS**
**July 15, 2021**

# City's jobs recovering slowly, as a boom fails to appear

**CARA EISENPRESS**
**AMANDA GLODOWSKI**

The number of positions in the city rose by 36,600 last month, a 1% rise from May—similar to the pace of growth since February, according to the state Department of Labor, which released its report Thursday. The growth was led by 15,700 new jobs in the leisure and hospitality sector, about half of those in food service. The unemployment rate in the city was 10.6%, compared with 5.9% for the country.

By the end of the summer, Daily Provisions, a neighborhood take-out shop known for its crullers, plans to double its employee count in order to open two new locations.

Some employees at the current stores, in Union Square and on the Upper West Side, are being promoted to managers at a new location, and interest in entry-level baking, cooking and counter jobs was robust at a job fair last week, according to Jessamyn Waldman-Rodriguez, Daily Provisions' managing director.

"In my mind, we aren't in the post-pandemic anymore," Waldman-Rodriguez said. "We have been open for over a year at both locations." Daily Provisions is part of the Union Square Hospitality Group, which was among the one-third of city restaurants that got a grant from the federal relief fund for eateries.

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The rest of the city shows some signs of regaining the café's normalcy, as core industries remained strong and the hardest-hit industries kept adding jobs, though totals are still far from their January 2020 peak, when the city had a record 4.7 million jobs.

"This is an economy on the mend," said James Parrott, director of economic and fiscal policies at The New School, "but still a long way to go." Parrott said he expects the recovery to take two to three more years—which would mean that the current rate of job growth would actually be expected to slow in the coming months.

Bottom of Form

Wages and hours

At Daily Provisions, the story runs in contrast to the labor shortage still reported by many restaurateurs in the city, who have noted that the employees they laid off during closures are not all returning even as business picks up. That could be because the workers have moved away, found another job or are staying on their supplemented unemployment benefits.

New York companies continue to need more workers, according to data from Burning Glass shared by city Comptroller Scott Stringer. Overall, help-wanted ads were 14% above pre-pandemic levels on July 2, driven by a 28% increase in leisure and hospitality job ads compared with January 2020.

Because Daily Provisions was able to do a brisk pickup and delivery business starting last summer, Waldman-Rodriguez noted that some of the employees who joined a year ago are now experienced hires. Everyone who works in the kitchen makes more than the $15 minimum wage, and front-of-house staff earn $15 plus tips. When the two new locations open, she will have 70 total employees, she said.

Wages paid by small businesses in the metropolitan area increased by 4.9% from May to June, the fourth fastest increase among urban areas, according to Paychex, which tracks small-business employment data. The number of hours workers were on the job, however, still lagged—which could be a result of some businesses not bringing back all workers full time. Working fewer hours depresses weekly wages even if hourly wages are up. At Daily Provisions, Waldman-Rodriguez said, employees can have all the hours they ask for.

Average wages for all businesses reported by the Labor Department showed a slight decrease, because so many of the new jobs were low on the pay scale, Parrott said.

Remote jobs staying here

Professional and business services, finance and technology jobs have been a bulwark for the economy, though the jobs' ability to be done remotely prompted some economists to worry that workers might leave the city permanently, according to Barbara Denham, senior economist with Oxford Economics.

In particular, the city's flourishing tech sector has taken advantage of remote hires to fill an expanding list of open positions. With 5,400 jobs in June filed under "other information," it is a promising sign that technology companies are onboarding New York City employees too.

"These are likely the jobs at Facebook, Amazon and Google that the city is expecting given the large leases or purchases these companies made over the last year," Denham said.

**WALL STREET JOURNAL**

# Red-Hot U.S. Economy Expected to Cool From Here

## Growth likely hit a high point in the second quarter and will slow as the boosts from fiscal stimulus and reopenings fade, economists say

Business reopenings, rising vaccination rates and government aid helped propel rapid gains in consumer spending this spring.

PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

By Sarah Chaney Cambon
and David Harrison

July 18, 2021 5:30 am ET

The U.S. economy's 2021 growth surge likely peaked in the spring, according to economists who expect to see a slower but still-strong expansion into next year.

Widespread business reopenings, rising vaccination rates and a big infusion of government pandemic aid this spring helped propel rapid gains in consumer spending—the economy's main driver. But that burst of economic growth is starting to ebb, economists say.

"We've moved into the more moderate phase of expansion," said Ellen Zentner, chief U.S. economist at Morgan Stanley. "We're past the peak for growth, but that doesn't mean something more sinister is going on here and that we're poised to then drop off sharply."

Rather, economists expect the economy to continue growing solidly over the coming year, fueled by job gains, pent-up savings and continued fiscal support. In the longer term, they foresee the expansion gradually cooling down to a more stable post-pandemic pace.

Economists surveyed this month by The Wall Street Journal, on average, estimated that the economy expanded at a 9.1% seasonally adjusted annual rate in the April to June period. That would mark the second-fastest pace since 1983, exceeded only by last summer's rapid rebound when businesses started to reopen and governments began easing pandemic-related restrictions.

Many economists also estimate U.S. gross domestic product surpassed its pre-pandemic levels in the second quarter.

The survey respondents see growth cooling to a 7% pace in the third quarter and drifting down to a 3.3% rate in the second quarter of 2022.

They forecast the economy to grow 6.9% this year, measured from the fourth quarter of last year to the same period of 2021, then declining to 3.2% next year and 2.3% in 2023.

With more moderate growth, the rates of job gains and inflation should ease as well, the economists said.

"It's normal. You shouldn't expect 9% growth forever," said Michael Feroli, chief U.S. economist at JPMorgan Chase & Co. "We feel very confident that we're going to see strongly above-trend growth in the second half of the year."

After rising steadily since the fall, yields on 10-year Treasury notes have dipped slightly over the past three months as investors factor in the potential for weaker growth, said Joe Brusuelas, chief economist at RSM.
Spending Growth SlowsPersonal consumption expendituresSource: Commerce Department via St. Louis FedNote: Seasonally adjusted annual rate
billionRECESSION2016'2011500120001250013000135001400014500150001550$16000
Consumer spending climbed 5% in March after Congress and the White House enacted a $1.9 trillion pandemic relief package that sent $1,400 checks to many households. The money was reaching pocketbooks at the same time many people were getting vaccinated and venturing out more as service providers reopened their doors. Monthly spending increases have slowed since then as the initial stimulus effect fades.
“May was insane,” said Zach Schneider, co-owner of S&S Hardware in St. Paul, Minn., who estimated that sales that month were 17% to 19% higher than in May 2019.
“Not only were we increasing the visitors but we were also increasing our average transaction, getting a lot of people impulse shopping,” he said.
Sales have cooled off since, he said, “but year-over-year, we’re still tracking ahead.”
Inflation also jumped in the spring and early summer as household spending outpaced businesses’ ability to keep up. Consumer prices rose 5.4% in June from a year before, the fastest pace since 2008, the Labor Department reported.
What the Inflation of the 1970s Can Teach Us Today
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What the Inflation of the 1970s Can Teach Us Today
The U.S. inflation rate reached a 13-year high recently, triggering a debate about whether the country is entering an inflationary period similar to the 1970s. WSJ’s Jon Hilsenrath looks at what consumers can expect next.
As growth slows, firms will have more time to find workers, work through order backlogs and increase production, though many supply-chain bottlenecks persist. The economists surveyed see inflation measured by the department’s consumer-price index gliding down to 4.1% in December from a year earlier and 2.5% by the end of 2022.

Several forces are likely to ensure economic growth remains strong in the coming quarters. For one, millions of individuals who are unemployed or not looking for work will likely find jobs, giving them income to spend. September could be a pivotal month, as schools reopen widely across the nation and expanded unemployment benefits expire nationwide.

Consumers also built up a large cash buffer during the pandemic. Americans were saving at an annualized rate of $2.3 trillion in May, nearly twice as much as they were saving in May 2019. While consumers have drawn on some of that money to pay off debt or book a vacation, there is room for more spending.
“You can’t eat out twice in a night,” said Steven Blitz, chief U.S. economist at TS Lombard. “Reopenings get people to spend money but it all can’t be spent in one month.”

Federal stimulus, meanwhile, hasn't entirely disappeared. The federal government on Thursday began sending monthly payments of up to $300 per child as part of an expanded child tax credit.

This new phase of the recovery comes with its own set of risks. Although many economists expect recent price pressures to be temporary, there is the possibility that costs for some goods and services push up inflation on a sustained basis.

Housing costs pose one such concern. Owners' equivalent rents—the Labor Department's estimate of what homeowners would have to pay each month if they were renting their own home—haven't yet rebounded much. But some economists warn these prices could start rising briskly, reflecting recent rapid increases in home prices.


Higher housing costs risk pushing up inflation on a sustained basis.
PHOTO: NAM Y. HUH/ASSOCIATED PRESS

Another risk comes from the labor market, which has recovered more slowly than many economists anticipated earlier this year. The U.S. economy is still about 7 million jobs short of pre-pandemic levels, and some impediments to employment growth could be long-lasting.

Many Americans retired earlier than planned during the pandemic and will never return to the labor market. Others have been out of work for months, raising the risk their skills might have atrophied or employers might perceive they have. Mismatches between the industries and places where jobs are available and where unemployed people are searching could hinder hiring for months.

"I do worry a little bit about whether there will be some structural underemployment on the other side of all this," said Mr. Feroli.

**WALL STREET JOURNAL**

# Stocks Decline, End Week With Losses

## Investors parse mixed economic data as Dow, S&P give up early gains

**By Anna Hirtenstein**
**and Gunjan Banerji**

**Updated July 16, 2021 4:01 pm ET**

What the Inflation of the 1970s Can Teach Us Today
The inflation rate reached a 13-year high recently, triggering a debate about whether the U.S. is entering an inflationary period similar to the 1970s.

The S&P 500 slipped as fresh data showed that consumer sentiment dwindled in early July, driven in part by concerns over high inflation.
The S&P 500 fell 0.8% and the Dow Jones Industrial Average retreated around 300 points, or 0.9%. The Nasdaq Composite lost around 0.8%.

All three major indexes ended the week with losses.
The past few days have been marked by several choppy sessions of trading as investors parsed a higher-than-expected inflation reading on Tuesday. Federal Reserve Chairman Jerome Powell sought to reassure markets that the central bank sees the rise in prices as uncomfortable but transitory and isn't in a hurry to adjust its supportive policies.

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On Friday, investors parsed some mixed economic data. A report showed that consumer sentiment in the U.S. declined in early July amid concerns over high inflation. Americans' expected inflation rate rose in July compared with June, a University of Michigan survey showed, with consumers' complaints about rising prices on homes, vehicles and household durables reaching an all-time record.
New data also showed that retail sales rose 0.6% in June, as the economy reopened more broadly and auto dealers navigated supply disruptions. Economists were expecting another decrease after May's 1.3% drop.
Despite this week's slim losses and the concerns about inflation, major indexes have been hovering near records. Meanwhile, government bonds have staged a big rally.

“I kind of think of it as short-term quiet and long-term uncertainty,” said Joanne Hill, chief advisor for research and strategy at Cboe Vest.

The yield on the benchmark 10-year Treasury note ticked up to 1.307% Friday from 1.297% Thursday, reversing course after declining for two consecutive days.

Some investors remained optimistic, pointing to the Fed’s stance toward raising rates.

“The Fed is still being pretty patient, Powell has made it clear that they will remain pretty accommodative for some time,” said Salman Baig, a multiasset investment manager at Unigestion. “That’s a relatively good environment for risk taking—good growth, bond yields being relatively stable, investors will be OK with taking on more risk.”

In corporate news, Moderna shares jumped 10.3% after S&P Global said it would add the pharmaceutical company to the S&P 500 index, effective as of July 21.

U.S.-listed Chinese ride-hailing firm Didi Global fell 3.2% after state security and police officials were sent to the company’s offices Friday as part of a cybersecurity investigation.

Overseas, the pan-continental Stoxx Europe 600 slipped 0.3%.

Most major benchmarks in Asia ended the week on a downward note. The Shanghai Composite Index declined 0.7% and Japan’s Nikkei 225 fell 1%.

ZERO HEDGE

# America Goes On A Buyer's Strike: Explosive Inflation Leads To Record Collapse In Home, Car Purchase Plans

## BY TYLER DURDEN

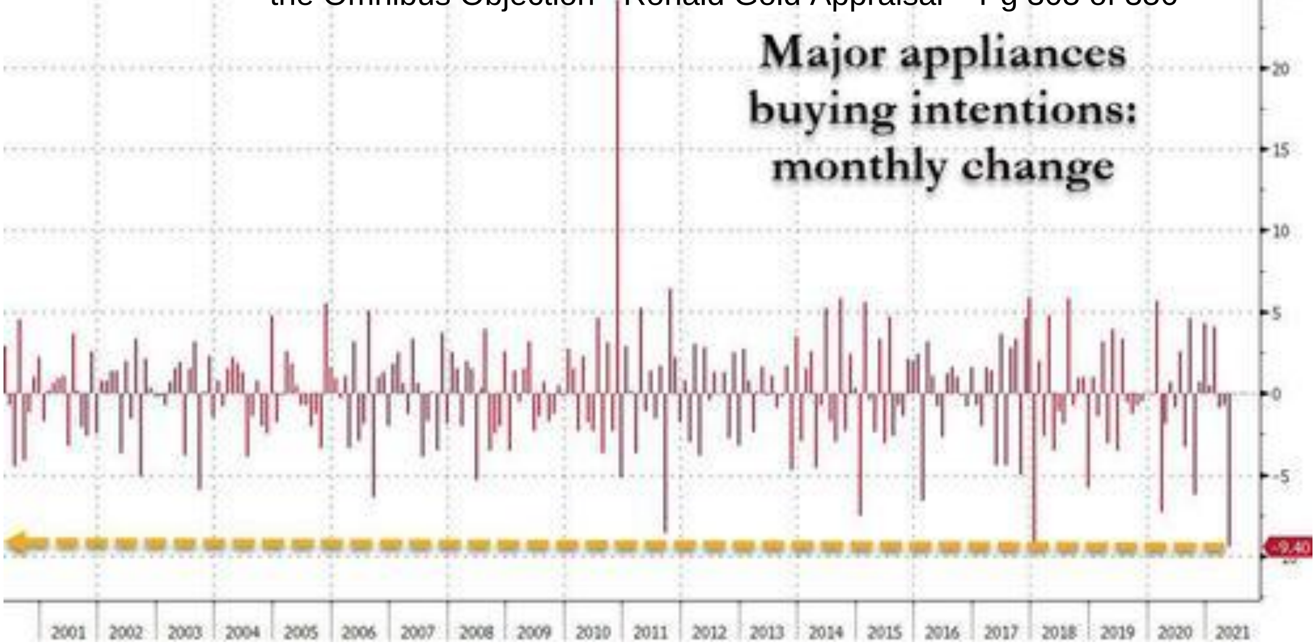
## FRIDAY, JUL 16, 2021 - 12:31 PM

**For the past several months we have warned about the pernicious effects soaring prices are having on both** corporations ("Buckle Up! Inflation Is Here!") and consumers (""This Is Not Transitory": Hyperinflation Fears Are Soaring Across America"), prompting even otherwise boring sellside research to get (hyper) exciting, with Deutsche Bank (which warned this week that "Inflation Is About To Explode "Leaving Global Economies Sitting On A Time Bomb"") and Bank of America (which "Just Threw Up All Over The Fed's "Transitory" Argument") now openly claiming that the Fed is wrong, and the US is facing an unprecedented period of far higher, non-transitory inflation, with DB going so far as to warn "policymakers will face the most challenging years since the Volcker/Reagan period in the 1980s."

But none of this has spooked the Fed into conceding - or believing - that inflation is anything more than transitory. And maybe just this once, the Fed has a point because all else equal, by which we mean lack of rising wages, the best cure to higher prices is, well, higher prices.

Presenting Exhibit A: Last month we observed that anticipating an end to Biden's stimmy bonanza end and that soon they will have to live again within their means, Americans' buying intentions (6 months from today) as measured by the Conference Board, had cratered across the 3 major spending categories: homes, automobiles and major household appliances.


The drop was so massive, it amounted to the biggest one-month drop in intentions to purchase appliances...

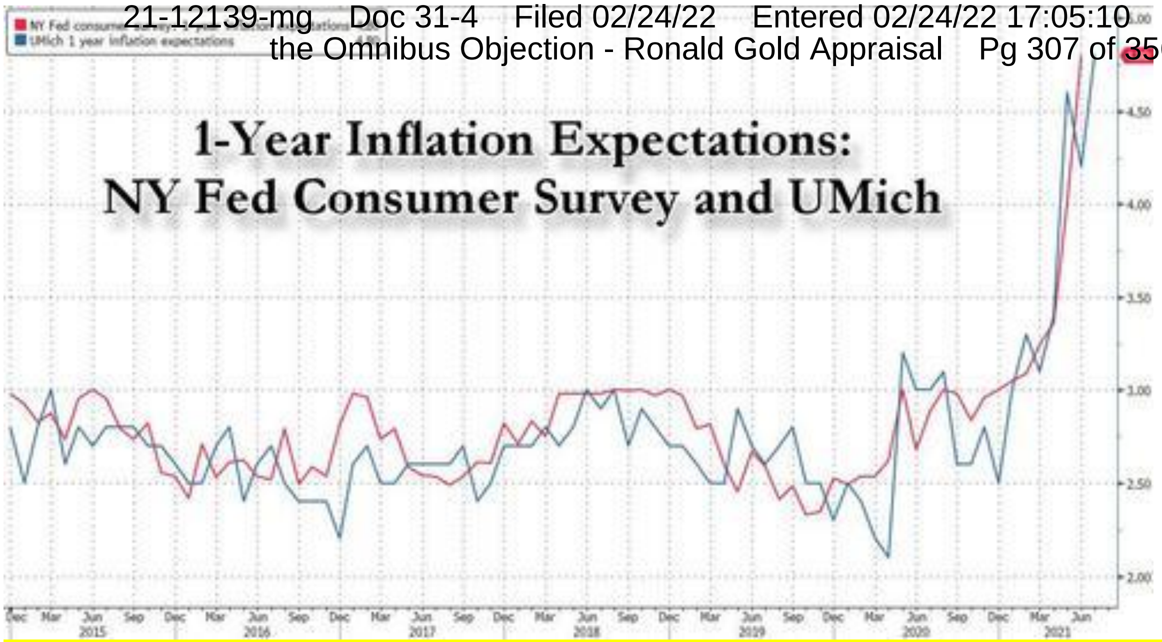



... and homes...


This confirms what we noted earlier, namely a record divergence between crashing homebuyer confidence (due to record home prices) and soaring homebuilder confidence (also due to record home prices). Guess which one will matter in the end.

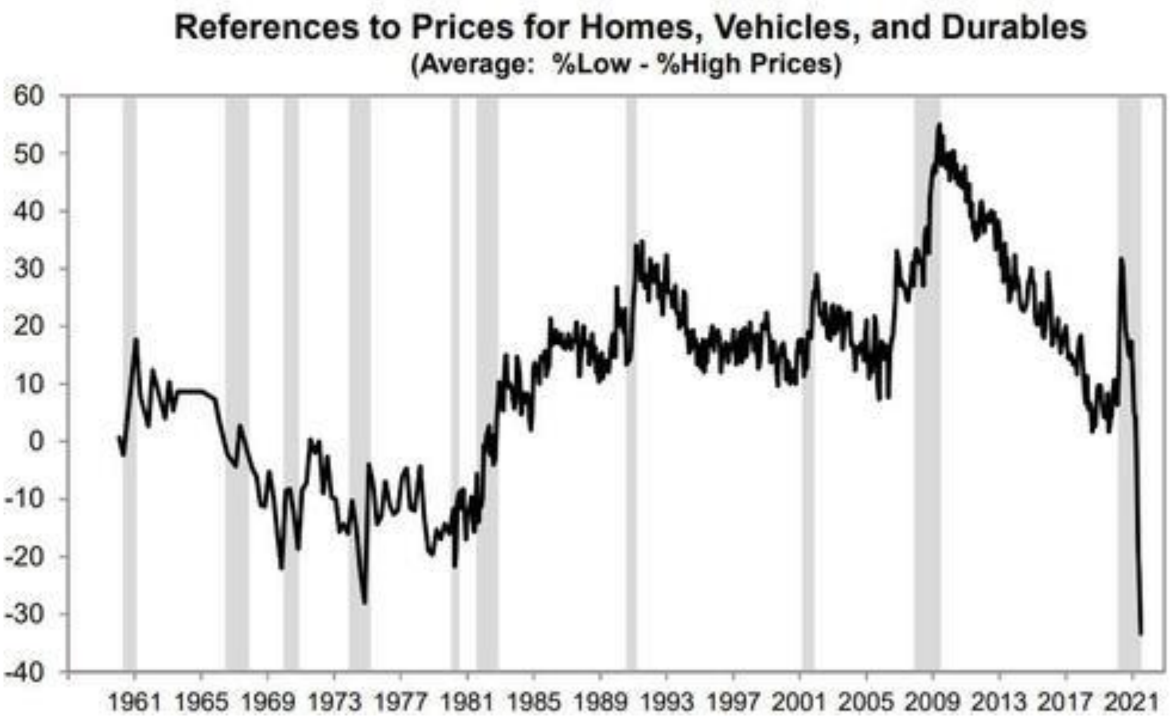

Fast forward to today when we just got Exhibit B: the June UMichigan Sentiment Survey. Here things quickly got ugly, because not only did all the sentiment indicators miss across the board...


... but in a stark reversal of last month's "good news" when inflation expectations dropped slightly, in the preliminary July number, 1 year inflation expectations unexpectedly exploded higher, from 4.3% to 4.8%, surpassing the May high and printing at the highest level since June 2008 (confirming the NY Fed's own survey of consumer expectations that this is anything but transitory), with 5-10 year inflation expectations also rising from 2.8% to 2.9%, pouring cold water on any "transitory" argument.

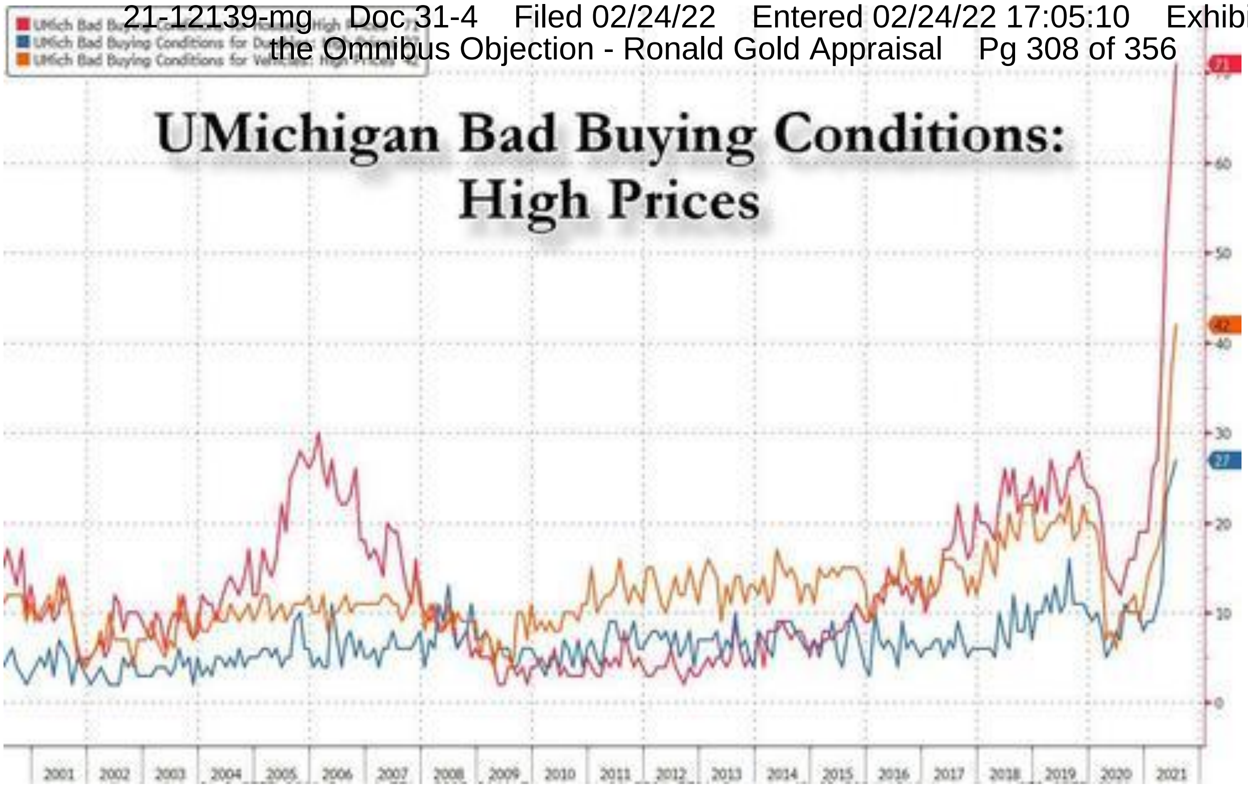



But what we found even more concerning is what chief economist, Richard Curtin said namely that "rather than job creation, halting and reversing an accelerating inflation rate has now become a top concern." As Curtin adds, "Inflation has put added pressure on living standards, especially on lower and middle income households, and caused postponement of large discretionary purchases, especially among upper income households."

It gets worse because as the UMich director notes next, "consumers' complaints about rising prices on homes, vehicles, and household durables has reached an all-time record."




This can also be seen in the following chart showing records across the board for "bad buying conditions" due to high prices for houses, durable goods and autos. In other words, due to soaring prices, America is going on a buyers' strike!




The silver lining is that so far, excess savings from trillions in stimmies have successfully offset this looming threat. As Curtin elaborates, "purchase rates have benefitted from record increases in accumulated savings and reserve funds" but as he concedes, "a critical issue is whether consumers will find greater value in keeping a significant portion of their savings as a precautionary hedge, or spending a significant portion in an effort to avoid their inflationary erosion and to benefit from buying-in-advance of increasing market prices."

The mask will quickly fall away however, giving way to a full blown stagflation in early 2022, if inflation is not transitory, and here is Curtin admitting just that: "the precautionary impulse will quickly fade if the “transitory” spike in inflation extended into 2022." Meanwhile, "resurgent consumer spending propelled by fiscal stimulus is likely to increase inflation" while "small policy steps could now have a large impact on ending inflationary psychology."

This means that another round of stimmies - which is what the current round of Delta strain fearmongering is all about - could actually have negative consequences this time.

But wait, it gets worse: as Curtin admits, this time may indeed be different, because "every instance of a comparable rise in near-term inflation expectations since 1990 was eventually countered by the maintenance of a much lower expected long-term inflation rate" something we have not yet seen this cycle. That's because "the factors that now underlie the recent surge in inflation are quite unique. A rising inflation in the months ahead may convince consumers that they underestimated its eventual rise, causing them to revise how high it will climb and how long the inflation runup will last."

In other words, if the Fed is wrong that inflation is "transitory", then the US economy is about to suffer a very painful hard-landing. Not only that, but the last trace of Fed "credibility" will be erased.

Oh, and for those saying wage hikes may be permanent we have some bad news: employers know very well that the extended unemployment benefits bonanza ends in September at which point millions of currently unemployed workers will flood back into the labor force sending wages sharply lower, and is why instead of raising base pay, most potential employers offer one-time bonuses, which - as the name implies - are one-time. As for higher wage pressures, well... just wait until October when everything reverses, Uncle Sam is no longer a better paying competitor to the US private sector, and wages slump.

What does that mean for the economy? Well, all those producers and retailers who got used to bumper demand and pushed their prices sharply and not so sharply higher, will face a stark choice: either drag prices right back down, or sell far fewer goods and services. That, or just await the next bailout.

One thing is certain: six months from today - if today's soaring inflation has not faded away - the US economy will be far, far uglier.

**WALL STREET JOURNAL**

**U.S. Jobless Claims, Benefits Payments Fall to Pandemic Lows**

**Applications for unemployment benefits declined to 360,000 last week, as recovery accelerates and states end extra pandemic-related aid early**


Employers Competing for Workers Turn to Signing Bonuses and
Low-wage work is in high demand, and employers are now competing for applicants, offering incentives ranging from sign-on bonuses to free food. But with many still unemployed, are these offers working? Photo: Bloomberg

**By Sarah Chaney Cambon**

**Updated July 15, 2021 10:57 am ET**

SAVE

Applications for unemployment benefits fell to a new pandemic low, showing a healing labor market, and the number of people receiving jobless aid has also trended lower as many states end enhanced pandemic programs.

Jobless claims declined to 360,000 in the week ended July 10 from a seasonally adjusted 386,000 a week earlier. Last week's applications count marked the lowest level for claims since March 2020, the month the Covid-19 pandemic hit the U.S. economy.

The four-week moving average, which can smooth out volatility in the weekly figures, fell to 382,500, also a pandemic low.

Continuing unemployment payments made through regular state programs—which provides an approximation of the number of people receiving benefits—declined by 126,000 to 3.24 million in the week ended July 3, also the lowest level since March 2020.

New claims and benefits payments have trended downward in recent months, largely reflecting a strengthening economy. Still, claims remain elevated compared with the pre-pandemic average of 218,000 in 2019.

"The economy is expanding rapidly now, as Covid infections go down and firms are given the OK to expand in-person activity," said David Berson, chief economist at Nationwide Mutual Insurance Co. "To meet that demand, firms need to hire workers."

The Federal Reserve separately on Thursday said that U.S. industrial production rose in June, but manufacturing output continued to be hindered by supply-chain disruptions, particularly in the automotive sector. Industrial production—which includes factory, mining and utility output—increased at a seasonally adjusted 0.4% in June compared with May.

Manufacturing—the biggest component of industrial production—declined 0.1% in June compared with the previous month, driven by a sharp 6.6% decline in motor vehicle and parts production amid the current shortage of semiconductors. Excluding motor vehicles and parts, factory output increased 0.4%, the Fed said.

Early cutoffs of extra pandemic-related unemployment benefits are contributing to the decline in benefits payments, Mr. Berson said.

Nearly half of states have announced that they will end the expanded benefits of $300 a week before they are slated to end nationwide in early September. Twenty-two states had ended the benefits by the beginning of July, according to Morgan Stanley.

From mid-May through the week ended July 3, continuing claims were down 19.2% in states with June and July expiration dates for the $300 enhanced payment. Over the same period, they were down 6.7% in the remaining states that are set to end benefits in September, according to Jefferies LLC.


Some economists expect companies will have an easier time finding workers in September when expanded benefits expire in all states.
PHOTO: FREDERIC J. BROWN/AGENCE FRANCE-PRESSE/GETTY IMAGES

Even though benefit recipients in states halting the extra $300 benefits are still eligible for regular state payments, many are leaving unemployment rolls.

“The fact that these people have stopped claiming those weekly payments means that they most likely found employment,” said Aneta Markowska, chief economist at Jefferies. Ms. Markowska said declining claims is one reason July job growth will likely be strong.

Thursday’s report showed unemployment payments through a federal program for gig-economy workers fell at the end of June. Continuing claims in this program declined to 5.69 million in the week ended June 26 from 5.82 million a week earlier, partially reflecting an early end to the benefits in some states.

The number of benefits recipients through the federal pandemic assistance program dropped sharply in states that cut off benefits in June, including Alabama, Idaho, Nebraska, New Hampshire and West Virginia.

Evans Distribution Systems, a Melvindale, Mich.-based company, provides warehousing and fulfillment services to companies in sectors such as autos and consumer products. Demand for Evans’s services has been strong since last summer, when “consumer goods basically started flying off the shelves of stores,” said Patrick Swaney, vice president of human resources.

To meet the demand, Evans is seeking forklift operators and warehousing workers to package goods and sort materials. But filling positions has been difficult, Mr. Swaney said. “We’re competing against the unemployment benefits that are out there right now,” he said.

He hopes to see more applicants once enhanced benefits end in Michigan in September. After a federal supplemental $600 in unemployment benefits expired last summer, the firm saw an immediate increase in job seekers, he added.

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To attract and retain workers, Evans has raised wages for many positions. Forklift operators now earn $16 an hour, up from $12 an hour before the pandemic. General laborers make $14 an hour, up from a pre-pandemic hourly wage of $10.50.

Some economists expect companies will have an easier time finding workers in September when expanded benefits expire in all states, and the reopening of schools frees up many parents to search for jobs.

Dave Gilbertson, vice president at workplace-software firm Ultimate Kronos Group, said the number of shifts worked by employees in manufacturing and healthcare has been slow to come back compared with other industries. Increased child-care responsibilities during the pandemic is a key impediment holding back manufacturing and healthcare, where workers tend to be of parenting age, Mr. Gilbertson said.

“They need a lot more certainty in their schedule to entice them back to work,” Mr. Gilbertson said, noting he expects school reopenings in the fall to ease the child-care constraints.

**THE NEW YORK TIMES**

# The Market Is Insane': Cars Are Sold Even Before They Hit the Lot

## A shortage of computer chips is keeping automakers from producing enough cars to meet rising demand. Used cars are scarce, too.

**By Neal E. Boudette**

**July 15, 2021**

Rick Ricart is expecting nearly 40 Kia Telluride sport utility vehicles to arrive at his family's dealership near Columbus, Ohio, over the next three weeks. Most will be on his lot for just a few hours.

"They're all sold," Mr. Ricart said. "Customers have either signed the papers or have a deposit on them. The market is insane right now."

In showrooms across the country, Americans are buying most makes and models almost as fast as they can be made or resold. The frenzy for new and used vehicles is being fed by two related forces: Automakers are struggling to increase production because of a shortage of computer chips caused in large part by the pandemic. And a strong economic recovery, low interest rates, high savings and government stimulus payments have boosted demand.

The combination has left dealers and individuals struggling to get their hands on vehicles. Some dealers are calling and emailing former customers offering to buy back cars they sold a year or two earlier because demand for used vehicles is as strong as it is for new cars, if not stronger. Used car prices are up about 45 percent over the past year, according to government data published this week. New car and truck prices are up about 5 percent over the past year.

Those price increases have fed a debate in Washington about whether President Biden's policies, particularly the $1.9 trillion American Rescue Plan he signed in March, are responsible for the sharp rise in inflation. The government said this week that consumer prices across the economy rose 5.4 percent in the last year through June.

Republican lawmakers have argued that the March legislation is overheating the economy and are citing the rise in prices to oppose additional government spending. But Biden administration officials have pointed out that temporary supply shortages are largely responsible for the surge in prices of cars and other goods.

Government stimulus may have helped some consumers, but it is hard to say how much. Several large forces are at play.

The chip shortage, for example, is affecting automakers all over the world and is not directly related to U.S. policies. Industry officials blame limited production capacity for semiconductors and pandemic-related disruptions in supply and demand for the shortage.

To make the most of limited chip supplies, General Motors has temporarily done away with certain features in some models, like stop-start systems that automatically turn off engines when cars stop for, say, a traffic light. And the French carmaker Peugeot has replaced digital speedometers with analog ones in some cars.

Rental car companies that sold off thousands of cars during the pandemic to survive are now in the market to buy cars and trucks. They want to take advantage of a summer travel boom that has driven up rental rates to several hundred dollars a day in some places.



"The industry has had strikes and material shortages before that have left us short of inventory, but I've never seen anything like this," said Mark Scarpelli, the owner of two Chevrolet dealerships near Chicago. "Never, never, never."

His dealerships normally have 600 to 700 cars in stock. Now, he has about 50. Once or twice a week, a truck arrives with five or 10 vehicles. The cars disappear quickly because of customer waiting lists, Mr. Scarpelli said.

Industry executives said the last time demand and supply were this out of sync was most likely after the end of World War II, when U.S. auto plants returned to making cars after years of churning out tanks and planes.

Dealers said virtually everything was selling, from luxury vehicles and sports cars that cost more than $100,000 to basic used cars that many parents buy for teenagers.

Even though the unemployment rate is still higher than before the pandemic, many people have money to spend. Government payments have helped lots of people, but many Americans, kept from vacationing or eating out, saved money. Financing cars is also relatively cheap — at least for people with good credit. Some automakers like

Toyota, which has been less affected by the chip shortage than others, are advertising zero-interest loans on some cars.

Mr. Ricart's family businesses include a custom shop that sells high-end, special-edition trucks and sports cars. "We had a $125,000 Shelby pickup, and I said, 'Who's going to buy that?'" he recalled. "The next day it was gone. There's so much free cash in the market. People are paying full price, even for the most expensive vehicles we have."

Buyers often have to take vehicles that don't meet their specifications, and move fast when they find one close enough.

Dealers are selling fewer vehicles, but their profits are up a lot. That's a huge change from the spring of 2020, when most dealerships shut down for roughly two months and they had to lay off workers to survive.

"The strong demand from consumers paired with a lack of supply from the manufacturers has created a gusher of profits for dealers," said Alan Haig, president of Haig Partners, an automotive consultant.

Now, dealers typically dictate the price of new or used cars. New cars typically sell for the manufacturer's suggested retail price or, in some cases, thousands of dollars more for models in very high demand. Haggling over used cars is a distant memory.

"There's not a lot of negotiating that goes on right now on price," said Wes Lutz, owner of Extreme Dodge in Jackson, Mich.

Some customers have balked at paying top dollar for new cars and have opted to make do with older vehicles. That has increased demand for parts and service, one of the most profitable businesses for car dealers. Many dealers have extended repair-shop hours. Mr. Ricart said he had some repair technicians putting in 10- or 12-hour days three or four days in a row before taking a few days off.

Of course, the shortage of cars will end, but it isn't clear when.

As Covid-19 cases and deaths rose last spring, automakers shut down plants across North America from late March until mid-May. Since their plants were down and they expected sales to come back slowly, they ordered fewer semiconductors, the tiny brains that control engines, transmissions, touch screens, and many other components of modern cars and trucks.

At the same time, consumers confined to their homes began buying laptops, smartphones and game consoles, which increased demand for chips from companies that make those devices. When automakers restarted their plants, fewer chips were available.

Many automakers have had to idle plants for a week or two at a time in the first half of 2021. G.M., Ford Motor and others have also resorted to producing vehicles without certain components and holding them at plants until the required parts arrive. At one point, G.M. had about 20,000 nearly complete vehicles awaiting electronic components. It began shipping them in June.

Ford has been hit harder than many other automakers because of a fire at one of its suppliers' factories in Japan. At the end of June, Ford had about 162,000 vehicles at dealer lots, fewer than half the number it had just three months ago and roughly a quarter of the stock its dealers typically hold.

This month, Ford is slowing production at several North American plants because of the chip shortage. The company said it planned to focus on completing vehicles.

Mr. Ricart recently took a trip on his Harley-Davidson to Louisville, Ky., and got a look at the trucks and S.U.V.s at a Ford plant that are waiting to be finished. He said he had seen "thousands of trucks in fields with temporary fencing around them."

He said he hoped to get some of those trucks soon because Ricart Ford had only about 30 F-150 pickup trucks in stock. "We're used to selling a couple hundred a month."

**July 15, 2021**

**Dear RONALD,**

**New York State continues to recover from the COVID-19 pandemic as more residents get vaccinated every single day, but we need everyone who hasn't taken the shot yet to do so as soon as possible. With the Delta variant here in New York, the time is now to get vaccinated if you haven't already. There are plenty of options where unvaccinated individuals can get the vaccines, from pharmacies to health clinics to pop-ups and more. Find a provider near you at vaccines.gov and protect yourself and your loved ones from COVID and other variants of concern.**

Video of the Day: No better way to spend the summer than exploring New York. Watch our latest tourism ad and come see for yourself.

Here's what else you need to know tonight:

1. COVID hospitalizations are at 340. Of the 81,951 tests reported yesterday, 956, or 1.17 percent, were positive. The 7-day positivity average was 1.04 percent. There were 75 patients in ICU yesterday, down four from the previous day. Of them, 34 are intubated. Sadly, we lost three New Yorkers to the virus.

2. As of 11am this morning, 73.5 percent of adult New Yorkers have received at least one vaccine dose, per the CDC. Over the past 24 hours, 38,027 total doses have been administered. To date, New York has administered 21,685,467 total doses with 67.0 percent of adult New Yorkers completing their vaccine series. See additional data on the State's Vaccine Tracker.

3. Remember that masks are required on the MTA and public transit. Even though New York's COVID restrictions have been lifted, federal CDC guidance remains in effect. Masks required for all riders on public transit, and in certain additional settings, such as health care, nursing homes, correctional facilities, and homeless shelters.

4. To date, New York has conducted over 59 million tests. Getting tested for COVID regularly is a great way to ensure your health and the health of those around you. If you are experiencing symptoms of COVID or believe you may have been exposed to the virus, get tested. Find a testing site near you. You can also call 1-888-364-3065 to make a free appointment at a New York State-run testing location.

**Ever Upward,**

**Governor Andrew M. Cuomo**

**Governor Andrew M. Cuomo**

**New York State Capitol Building**

**Albany, NY 12224**

WALL STREET JOURNAL

# U.S. Jobless Claims Fell to 364,000 Last Week, a New Pandemic Low

## Worker filings for benefits are down by about 50% since the first week of April but remain above pre-pandemic levels

An applicant visiting a job fair in Torrance, Calif., in June. Job openings reached record levels this spring.
PHOTO: PATRICK T. FALLON/AGENCE FRANCE-PRESSE/GETTY IMAGES

By Bryan Mena

**Updated July 1, 2021 1:12 pm ET**

Worker filings for jobless benefits fell to a new pandemic low last week and resumed a monthslong downward trend, adding to signs of a recovering labor market.

Initial jobless claims fell by 51,000 to a seasonally adjusted 364,000 in the week ended June 26 from the prior week’s revised total of 415,000, the Labor Department said Thursday.

The drop brought the four-week moving average, which smooths out volatility in the weekly figures, to 392,750, also a pandemic low. Jobless claims, a proxy for layoffs, are down by about 50% since the first week of April, but remain above pre-pandemic levels.

“We are seeing labor-market progress,” said AnnElizabeth Konkel, an economist at job-search site Indeed. She added that “we still have just a little bit more ways to go” before unemployment claims reach pre-pandemic levels. Initial claims were at 256,000 on March 14, 2020, as Covid-19 took hold in the U.S. The 2019 average for claims was 218,000.

Thursday’s decline in unemployment claims came ahead of the June U.S. employment report, set to be released by the Labor Department on Friday. Economists project that employers created 706,000 jobs last month and that the unemployment rate fell to 5.6%.

Even with such gains, the labor market would still be around 6.6 million jobs smaller than just ahead of the pandemic. “There are still many things in the air for this economic recovery to be stable—vaccination rates, the evolution of new strains, the rest of the world’s economy,” said Alfredo Romero, an economist at North Carolina A&T State University.

As Covid-19 infections eased, states more fully lifted business restrictions, spurring activity across industries. Consumers began spending and traveling more, helped by government aid distributed earlier in the year. Consumer spending, the main driver of economic growth, is primed to aid the recovery over the summer. Meanwhile, job openings reached record levels this spring and businesses have ramped up investments in capital.

The recovery has been uneven. While hiring has picked up, it has lagged behind gross domestic product growth as workers remain sidelined because of expanded unemployment benefits, increased child-care responsibilities and other factors.

Supply-chain disruptions also continue to hobble business. Ford Motor Co. this week said the global computer-chip shortage will force it to cut output at more than a half-dozen U.S. factories. These factors have pushed up prices, raising inflation worries.

"As we're seeing the economy recover, we're also having an adjustment. People are taking their time to understand what the new labor market will be," said Monica García-Pérez, a professor of economics at St. Cloud State University in Minnesota. "I also think the summer will be this kind of small roller coaster of firms adjusting to the type of jobs and vacancies they'll be opening."

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So-called continuing claims, or benefits distributed, for all state and federal pandemic programs remain high but declined slightly in the week ended June 12 to 14.7 million on an unadjusted basis, with 3.2 million accounting for regular state programs and most of the rest from pandemic-related assistance. Continuing claims gives an approximation of the number of people receiving benefits.

Benefits distributions are projected to continue falling over the summer as the labor market continues to improve and states cancel enhanced and extended pandemic-related benefits. Twenty-two states in June ended participation early in federal programs that are set to expire in early September. Four more are expected to do so in July.

Analysis by Jefferies LLC economists indicates that the enhanced federal benefits have had an impact on unemployment rolls. "The backup in continuing claims was driven entirely by states remaining on enhanced benefits until September," a Jefferies report said. "Since mid-May, claims are down 12.6% in early expiration states and just 3.4% in September expiration states."

**WALL STREET JOURNAL**

**More Jobs but Still Too Few Workers**

**The labor market is healing,**
**but bad policy is slowing the recovery.**

**By The Editorial Board**
**July 2, 2021**


President Joe Biden speaks in the Eisenhower Executive Office Building in Washington, D.C., July 2.

**Most jobs added last month were in industries that reopened, especially leisure and hospitality (343,000), state and local education (229,700) and retail (67,100). The household survey was more pessimistic and showed unemployment increased by 168,000, which caused the jobless rate to tick up to 5.9% from 5.8%.**

As politicians like to do, President Biden is taking credit for the 850,000 net new jobs that the Labor Department said Friday were added in June. “None of this happened by accident,” he said. “It’s a direct result of the American Rescue Plan.”

He’s right it’s not an accident. It’s the result of the economy reopening in more states, but the jobs recovery would be faster without the $1.9 trillion spending bill Democrats passed this spring.

The top-line number beat most estimates with private employers adding 662,000 jobs. A big bump was to be expected after states lifted almost all of their business restrictions. Vaccines last month were widely available, and people exhausted by lockdowns have been eager to go out. Reservations on OpenTable in many states are higher than the same time in 2019. While the household and establishment surveys don’t always match, last month’s disparity appears to be due in part to the huge increase in part-time work (408,000) and decline in reported self-employment (183,000). These differences tend to re-align over time.

**By now anyone who wants a job can get one. Yet employment is still 7.1 million lower than in February 2020 while the Labor Department’s Jolts report showed 9.3 million job openings in April. The $300 federal unemployment bonus, which Democrats extended through Labor Day, allows many workers to earn more not working—and for up to 99 weeks in some states.**

As a result, many workers are picky about which jobs they take, which San Francisco Federal Reserve President Mary Daly says is good. Not for many businesses and their customers. Ninety-four percent of nursing home providers said they had staffing shortages in the last month, and the industry continues to shed workers.

The reply is that businesses can merely increase wages, but most are doing exactly that. Many are offering bonuses for new hires. Average hourly wages increased 10.4% for production-level retail and 28% for leisure and hospitality workers at an annual rate. Disney recently announced a $1,000 signing bonus to recruit cooks who earn $18 per hour for its Florida theme parks.

As businesses bid up wages, more workers are quitting for higher-paying jobs. The number of workers who voluntarily left their jobs to look for other work increased by 164,000 to 942,000. High worker turnover makes it hard to run a business, and the labor shortage is causing supply-chain problems and pushing up prices. Inflation has eroded wage gains in recent months.

The jobs recovery was always going to accelerate as the pandemic eased, and the labor market will recover faster as the $300 bonus for not working ends. Twenty-six states have either stopped accepting the bonus or soon will. The economy’s problem now isn’t too little work. It’s too few workers willing to do the work.

THE REAL DEAL

# Millions of homeowners remain vulnerable as forbearance winds down

Minority and low-income areas, disproportionately impacted by the pandemic, will likely see the worst fallout

June 2021 Issue

June 14, 2021 07:00 AM

By Erin Hudson and Cordilia James

Theresa Battle's first thought each morning is whether today is the day she'll lose her two-story house in Jamaica, Queens, to foreclosure.

"Every day when I get up, I'm afraid of what's going to happen," said Battle, 57, who runs a daycare center out of the property.

Like millions of Americans, she was unable to keep up with her mortgage payments after the pandemic forced her to close her business in March 2020, cutting her income in half.

She thought she'd be protected by the federal government's forbearance program, which allows homeowners who lost income because of Covid-19 to skip mortgage payments for up to 18 months without a penalty. When she asked for help in June 2020, her mortgage servicer, BSI Financial, turned her down, she said, because her home loan isn't backed by the federal government.

BSI's private investor clients, not BSI itself, determine whether to accept or deny a forbearance request, a spokesperson for the Texas-based firm said in an email. As of June 1, about 1,800 borrowers were on an active forbearance plan with the servicer. BSI declined to comment on Battle's specific case due to privacy concerns.

First implemented as part of the CARES Act, the forbearance program — the biggest government intervention in the $10 trillion mortgage market since the financial crisis of 2008 — was designed to prevent a flood of foreclosures in the midst of a pandemic. It freezes the foreclosure process for most borrowers with government-backed loans, but stops short of mandating similar relief for borrowers with privately backed loans, which account for about 30 percent of the U.S. mortgage market.

## Flood averted

So far, the number of homeowners missing payments has been slowed, if not entirely stemmed. The number peaked in June 2020, with 4.3 million homeowners in forbearance. As of late May, it was down to 2.2 million, according to Black Knight. About 5.6 percent of those are "re-entries,'' borrowers who were in forbearance, resumed payments, then returned to forbearance, according to the Mortgage Bankers Association. Overall, about two-thirds of borrowers who were in forbearance have exited the program, the MBA said.

While some may be able to refinance at lower rates or reach agreements with their lenders to catch up on missed payments, it could be devastating for others.

Some homeowners will face foreclosure or be forced to sell their homes, including those like Battle who were denied forbearance, as well as those who are nearing the end of their forbearance period but still can't afford to make payments.

"I think the thing to focus on is what is the person's ability to repay," said Zahra Jafri, president of New York-based Lynx Mortgage Bank. "If they're going to stay in their home with their mortgage, is their ability to maintain the home and repay that loan still there?"

The Consumer Financial Protection Bureau, a federal agency charged with ensuring that banks, other lenders and the financial services industry follow the rules, received the most mortgage-related complaints in three years in March. Homeowners griped about delays, denials and a lack of clear instructions from servicers.

The CFPB estimates that about 3 million homeowners are behind on their mortgages and says a disproportionate number of those borrowers are Black or Hispanic. About 1.7 million borrowers will exit the program beginning in September, with many at least a year behind on their payments.

"More borrowers are behind on their mortgages than at any time since the height of the Great Recession," said Dave Uejio, CFPB's acting director, in a statement. The CFPB will do "everything in our power to help families stay in their homes," he added.

One of the agency's responses to the trouble it sees coming is a proposal to extend the moratorium on foreclosures until the end of 2021.

Zombie homes

Mortgage industry officials warn that extending the moratorium could end up making homes even more unaffordable by further reducing the supply of available properties, sparking bidding wars for those that remain. Home prices soared to a 13.2 percent year-over-year gain in March, according to the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, the biggest annual gain in a single month since December 2005.

"The moratorium did what it was intended to do," said Jason Vanslette, a South Florida-based attorney who represents lenders and servicers in foreclosure cases. "[But] I think there's always unintended consequences for something that was considered inherently good."

For those unable to catch up on their mortgage payments, selling their home may be the best solution. Though selling into a hot market may get the banks off their backs, it will do little to solve their housing problems over the long term, said Ira Rheingold, executive director for the National Association of Consumer Advocates.

"What is that family going to do if they can't afford their current house?" he said. "You're not going to be able to afford a house, because housing prices are so high."

The moratorium also suspended foreclosure cases that were filed before the pandemic, leaving about 250,000 loans in limbo.

That backlog could account in part for the 21 percent spike in the second quarter on foreclosures of homes sitting empty, known as "zombies," said Rick Sharga, executive vice president of the research firm RealtyTrac. New York had more zombie homes than any other state for the quarter, followed by Ohio, Florida, Illinois and Pennsylvania, according to ATTOM Data Solutions.

The current shortage of homes for sale means that even a surge in foreclosures probably wouldn't move prices much nationally. But some areas of the country — those with the highest unemployment and the most borrowers in forbearance — will be much harder hit, said NYU Law professor Michael Ohlrogge.

'A structural problem'

Minority and low-income neighborhoods, which have suffered disproportionately from the pandemic, will also likely see the worst fallout from the end of forbearance.

"Communities of color, minorities, the elderly, the people that were targeted by these subprime loans for years,'' said Bruce Jacobs, a foreclosure defense attorney in South Florida, "they're the ones that have no protection by the government [foreclosure moratorium]. It just seems inherently unfair."

Even with a moratorium in place, older foreclosure cases based on private loans are still working their way through the system, adding to court backlogs as forbearance ends. Jacobs is currently working with Ana Lazara Rodriguez, an 82-year old woman who was a political prisoner for 19 years in Cuba under Fidel Castro, to stop her eviction from a foreclosure initiated in 2009.

In a hearing on May 27, Jacobs asked a judge to stop the eviction until the conclusion of a lawsuit brought by Rodriguez that questions the legality of the loan documents.

The garden outside Rodriguez's tangerine-colored home, which she usually tends to weekly, is a mess. She canceled her regular treatment appointment for macular degeneration to attend the hearing, and she's starting to think about what she will do if she has to leave her home of 26 years.

"I would have to live in my car," she said. "It's the only possession I have."
The judge did not grant the injunction until June 4, two days after a sheriff served Rodriguez an eviction notice. While Rodriguez gets to stay in the home for now, her team needs to raise enough money for a bond that will go toward protecting the new owner from losses incurred while the case continues.
The legitimacy of loan paperwork has been a common issue in the Sunshine State since the financial crisis of 2008, when a spike in foreclosures revealed that banks often lost the original paperwork when mortgages were traded. Instead, they generated affidavits "robo-signed'' with the names of bank employees attesting to the lost documents' existence.
"It's my belief that there's a structural problem within the system," said Laura Wagner, executive director of Floridians for Honest Lending. She's connecting state legislators with foreclosure defense attorneys to advocate for cracking down on lenders and servicers that use fraudulent means to seize homes.
After Theresa Battle was denied forbearance, what followed was a series of discussions with a BSI Financial representative about possibly modifying her loan, but it seemed she was perpetually missing a required document. When she tried to resume partial payments, BSI Financial wouldn't accept them, she said.
By September, Battle thought things might be looking up. Her daycare was set to reopen that month, and talks with the servicer seemed to be turning a corner, she said.
"Then I received papers that they were going to start foreclosure."
'Stuck forever'
Desperate for help, Battle reached out to a lawyer whose daughter attends her daycare, who ultimately put her in touch with senior housing counselor Tenying Yangsel at Chhaya Community Development Corporation, which represents South Asian and Indo-Carribean communities in New York City.
"They're giving her a hard time," said Yangsel, who began communicating with BSI Financial on Battle's behalf in January. Yangsel says she has worked with more than 150 homeowners since the start of the pandemic and helped 77 of them enter forbearance programs.
Chhaya was part of a coalition that met in May to give feedback on how New York state can use part of the funds from the Biden administration's American Rescue Plan to help homeowners like Battle. Signed into law on March 11, it provides emergency aid to cover back rent, mortgage payments and utility costs.
In the meantime, Battle said BSI has offered her a three-month payment plan that would require a $7,000 lump-sum payment and mortgage payments that jumped to about $3,600 from her previous payments of $2,471.
When Battle looks at the unpaid balance of her loan, which now sits at more than $500,000, she said it looks as if she hasn't paid anything.
"I just feel like I'm stuck with them forever," she said. "This is really tough to go through."
Contact Erin Hudson
Contact Cordilia James

# Olshan Luxury MARKET REPORT 2021
# Report on Contracts Signed
# Manhattan Residential Properties $4 Million and Above
# July 5-11, 2021

28 Contracts Signed

The streak is over! For 22 straight weeks, 30 or more contracts were signed at $4 million and above in Manhattan, starting on February 1 and ending on July 4th. It was a remarkable run, not seen since we started this report in 2006, and shattered the previous record of 6 weeks that was set in the Spring of 2015. Last week, 28 contracts were signed at $4 million and above, 5 fewer than the previous, as condos outsold co-ops, 24 to 2, with 2 townhouses in the mix.

The No. 1 contract was TH at 109 East 79th Street, asking $17.5 million. It is a ground-floor duplex with 4,705 square feet including 5 bedrooms and 5.5 bathrooms, plus a garden that totals 1,096 square feet. The living room and dining room have 13-foot ceilings. The condo building is under construction and is designed by Steven Harris Architects; it has 31 units on 20 floors.

The No. 2 contract was PHB at 30 Riverside Boulevard, asking $17.25 million. The 4,694-square-foot unit includes 4 bedrooms and 5.5 bathrooms. The living room and master suite open onto a 1,763-square-foot terrace. It has North, South, and East views of the city and Hudson River

| . | EAST SIDE | WEST SIDE | MIDTOWN | DOWNTOWN | Asking $/sq.ft. | Totals |
|---|---|---|---|---|---|---|
| Co-ops | 1 | 0 | 1 | 0 | Avg.Ask: $5,747,500 | 2 |
| Condos | 4 | 4 | 2 | 14 | Avg.Ask: $8,633,333 Avg.$/sq.ft.: $2,959/sq.ft. Avg.Size: 2,918 sq.ft. | 24 |
| Condop* | 0 | 0 | 0 | 0 | Avg.Ask: Avg.$/sq.ft.: Avg.Size: | 0 |
| Townhouses | 0 | 1 | 0 | 1 | Avg.Ask: $14,747,500 Avg.$/sq.ft.: $2,655/sq.ft. Avg.Size: 5,555 sq.ft. | 2 |
| TOTALS | 5 | 5 | 3 | 15 | . | 28 |

**WEALTH**
**CNBC**
# Manhattan real estate prices reach record as buying 'frenzy' takes hold
**PUBLISHED FRI, JUL 2 202112:01 AM EDTUPDATED FRI, JUL 2 2021**
**Robert Frank@ROBTFRANK**
## KEY POINTS
The median resale price for Manhattan apartments hit $999,000 in the second quarter — the highest on record, according to a report from Douglas Elliman and Miller Samuel.
Average sale prices rose 12% in the quarter, topping $1.9 million, the report said.
The buying spree has led to fewer apartments on the market, and there is robust demand for pricey penthouses, which offer buyers more space and private outdoor areas.
WATCH NOW
VIDEO01:49

New York City's real estate market is making a comeback
Manhattan real estate prices reached an all-time high in the second quarter, as buyers returned to the city and boosted demand for the largest, most expensive apartments, according to new reports.
The median resale price for Manhattan apartments hit $999,000 in the second quarter — the highest on record, according to a report from Douglas Elliman and Miller Samuel. Average sale prices rose 12% in the quarter, topping $1.9 million.

The price jumps and shrinking inventory suggest the Manhattan real estate rebound continues to gain momentum, as more families look to trade up to larger apartments and buyers look to take advantage of lower prices and low mortgage rates.

"It's a sign of the frenzy and intensity of the market," said Jonathan Miller, CEO of real estate appraisal firm Miller Samuel. "It's rebounding much faster than most participants expected."

There were 3,417 sales in the second quarter — a 150% gain from last year, when many New York residents were leaving the city during the coronavirus pandemic, and Covid restrictions prevented apartments from being shown for much of the quarter. However, the pace was also robust compared with pre-pandemic levels. It was the strongest second quarter since 2007, according to Miller Samuel. Bidding wars were at the highest pace in 2½ years.

Guests attend a pool party in the penthouse apartment at the 50 United Nations Plaza building in New York.
Michael Nagle | Bloomberg | Getty Images

The buying spree has led to fewer apartments on the market. Listing inventory fell 27% compared with a year ago, and the supply of homes for sale — at 6.9 months — is now lower than the historical average of about eight to nine months, Miller said.

The strongest growth is at the top of the market — literally. There have been more than 220 penthouses sold in Manhattan so far this year, the strongest on record, according to Corcoran market research. That marks a 35% increase from the 164 penthouse contacts signed for the same period in 2019, before the pandemic.

“As the city continues to reopen, penthouses have proven to have the perfect formula of generous square footage and private outdoor space, plus the all the luxury amenities that can only be found in a full-service building,” said Pamela Liebman, president and CEO of Corcoran. “For high net worth individuals, the prospect of making their home in a ‘mansion in the sky’ has never been more irresistible.”

The strength of the high-end market — above $5 million — marks a dramatic turnaround from before the pandemic. An oversupply of high-end apartments and sellers unwilling to lower prices led to a slowdown in the price range before 2020, while the lower end, at $1 million to $2 million, was strong. Now brokers say the top of the market is driving much of the growth, since the wealthy have grown even wealthier during the pandemic from rising stock markets and easy monetary policy.

The median sales price for three- and four-bedroom apartments surged by double digits in the second quarter from the first quarter.

Still, the inventory of luxury apartments remains high — at 13 months, according to Miller Samuel. And since many new development buildings aren’t officially listing all their empty units, for fear of oversaturating the market, the real number is far higher, Miller said.

“You have to account for the ‘inventory management,’ ” he said.

The strength of the penthouse market has also changed the economics of new development. Historically, developers have sold the penthouse after most or all of the other apartments in a building are sold. Holding penthouses for last made them special and created a sense of scarcity to get buyers to pay more. Now, as the wealthy are willing to pay up for more space and outdoor features, developers are selling penthouses earlier — sometimes even as the first sales.

“Developers are getting what they see as a fair price for the penthouses now, so they’re no longer holding them,” Miller said.

# *SUBJECT EAST VILLAGE AND ST. MARKS PLACE 2020 AND 2014 NEW YORK TIMES AND CURBED NEW YORK ARTICLES*

## *THE NEW YORK TIMES*
## *"The East Village"*
## Home of Punks and Poets
**OCTOBER 14, 2020**

The scene, in 1967, at the Dom, which would soon be known as Electric Circus.Credit...Larry C. Morris/The New York Times

**By Michael Kimmelman**

- Published Oct. 15, 2020Updated Oct. 20, 2020

By the 1960s, the neighborhood took on its bohemian title: the East Village, home to Beats, hippies and no wave bands, to Allen Ginsberg, W.H. Auden, Abbie Hoffman, Fillmore East and the Poetry Project, to graffiti artists — and, in recent years, to droves of New York University students.

It used to be simply the northeast quadrant of Manhattan's Lower East Side, where, to repurpose a phrase by another former resident, William S. Burroughs, layers of history are "wrapped around each other like hibernating rattlesnakes."

During the 17th century Lenape settlements gave way to Dutch plantations. By the 1830s, the Georgian-style St. Marks Church in-the-Bowery, which took on a Greek Revival spire and cast-iron portico, had risen on a piece of Peter Stuyvesant's former estate. New York society moved into Federal rowhouses along streets like St. Marks Place. James Fenimore Cooper lived in the one that used to be No. 6. Then

tenements joined mansions as waves of German, Jewish, Ukrainian and Polish immigrants arrived, followed, after World War II, by artists, drifters and dreamers.

Image


St. Marks Church in-the-Bowery, on a piece of Peter Stuyvesant's former estate.Credit...Zack DeZon for The New York Times

This is the latest in a series of (edited, condensed) walks around town. The writer and artist Luc Sante is the author of "Low Life," about the seamy underside of bygone New York, and "The Other Paris," an alternative history of the French capital. He lived and worked for years in the East Village, although, as a matter of principle, he still calls it the Lower East Side. He writes about his experiences in a new collection, "Maybe the People Would Be the Times."



"The past is always in flux," Mr. Sante writes in the Paris book, "as a dynamic undercurrent — in the slope of hills, shape of streets, breadth of squares." So, too, the past in the East Village, whose streets and architecture, like those throughout the rest of New York, are more than the outcome of blueprints, the arrangements of asphalt, bricks, steel and glass. They are products of collective imagination, containers of memory, moving objects.

Mr. Sante charted a kind of imaginary route for our walk, tracing ghosts in Astor Place, the Strand bookstore, what used to be CBGB, and Tompkins Square Park.

He suggested "meeting" at the corner of Third Avenue and St. Marks Place, the district's de facto front door.

**Michael Kimmelman** When did you first come to the neighborhood?
**Luc Sante** September '68. That's when I started commuting from New Jersey to high school uptown. I would head down to St. Marks Place because it was the gravitational center of all that was groovy. These days I go to see friends and because, knock on wood, B & H is still around.


B & H Dairy, the East Village kosher dairy restaurant on Second Avenue. Credit...Zack DeZon for The New York Times

Image

The interior evokes the essence of 1940s lunch-counter culture.Credit...Zack DeZon for The New York Times

**B & H Dairy, the East Village kosher dairy restaurant, 1940s lunch-counter culture.**

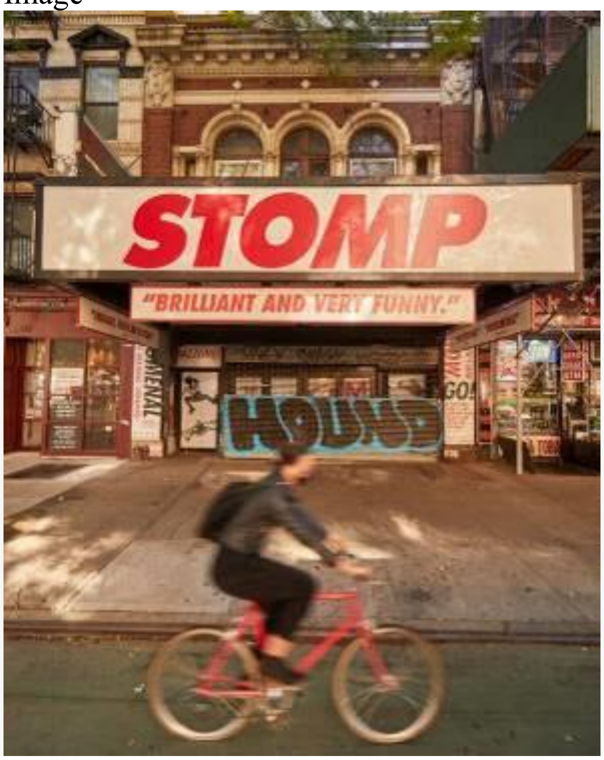
I started eating there in the mid-70s when the counter was manned by a trio of insult comedians, true geniuses. B & H survives as a relic of the old Jewish Rialto, the Yiddish Theatre District, the world that was Second Avenue, generations before I arrived. That's gone now but at least two theaters are still in existence, the Orpheum and the movie house on Second Avenue.

**You're talking about the Village East Cinema, at 12th Street, which used to be called the Yiddish, or Louis N. Jaffe Art Theatre, in Moorish Revival style, by Harrison Wiseman from the 1920s, with a Star of David in the lobby. The Orpheum is from the '20s as well, I think.**

Image


The Village East Cinema, at East 12th Street, used to be called the Yiddish, or Louis N. Jaffe Art Theatre.Credit...Zack DeZon for The New York Times

Image




The Orpheum Theater has hosted “Stomp” for many years.Credit...Zack DeZon for The New York Times



There were also cafes like the Royal on 12th Street, and institutions like the Hebrew Actors’ Union. The theater district blossomed after the General Slocum disaster emptied out the neighborhood.

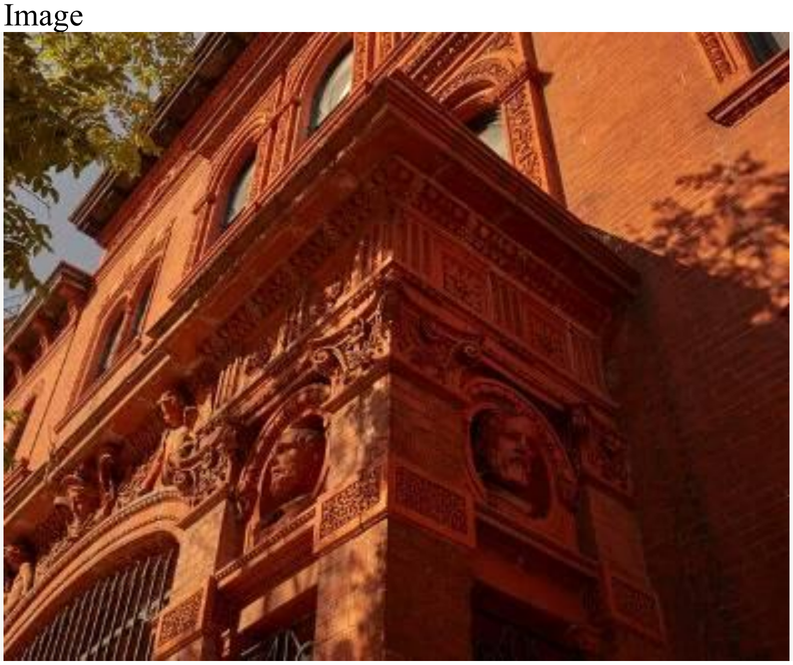
**The city’s deadliest disaster until Sept. 11: General Slocum, a steamship, in 1904 caught fire and sank in the East River, killing more than 1,000 out of the nearly 1,400 passengers. Most were German-American women and children, congregants from the German Evangelical Lutheran Church of St. Mark on East Sixth Street, back when the area was Kleindeutschland.**

The psychological toll was apparently so great that survivors packed up and moved to Yorkville on the Upper East Side. But there are still physical remains of the German neighborhood like the shooting society, the Free Library, the German Dispensary.

Image

Once known as the German Evangelical Lutheran Church of St. Mark, many of its members died in the General Slocum disaster.Credit...Zack DeZon for The New York Times

Image



A detail of the Stuyvesant Polyclinic Hospital.Credit...Zack DeZon for The New York Times

Image

The former German-American Shooting Society at 12 St. Marks Place, by William C. Frohne.Credit...Zack DeZon for The New York Times



**Now called the Ottendorfer Public Library and Stuyvesant Polyclinic Hospital, neighbors on Second Avenue, both designed by J. William Schickel during the 1880s. And the German-American Shooting Society at 12 St. Marks Place, from the same era, by William C. Frohne.**
**You arrived the year the Fillmore East opened in another former Yiddish theater, the Commodore, on Second Avenue.**

For me, puberty was rock ’n’ roll and Ginsberg’s “Howl,” and the Lower East Side was the logical place to find that culture. When I arrived in the neighborhood, the contrast was palpable between newfangled hippie businesses, which had only been going on for five years at the most, and the older, working class businesses. You had hippie boutiques side by side with Ukrainian social clubs and Polish pork stores. Two streams of people intersected with one another’s reality but didn’t really interact.

**Parallel realities.**
Right. And so you had places like the Dom, the former Polish National Home, which became the Electric Circus.

Image

The scene, in 1967, at the Dom, which would soon be known as Electric Circus.Credit...Larry C. Morris/The New York Times

Image

Nico at the Dom in 1966.Credit...Larry C. Morris/The New York Times

Image

Andy Warhol, far right, speaks to guests at the club.Credit...Larry C. Morris/The New York Times



**On the north side of St. Marks Place, in what used to be called Arlington Hall before it turned into the Polish National Home, with a ballroom and community hall where a notorious shootout apparently took place between Jewish and Italian mobsters in the 1910s. Andy Warhol and Paul Morrissey rented out the ballroom in the '60s and turned it into the Electric Circus. The Velvet Underground was the house band.**

Then it turned into a craft center where most of the neighborhood's Alcoholics Anonymous and Narcotics Anonymous meetings took place.

I lived in an apartment between First Avenue and Avenue A, across the street from a Polish bar with a jukebox heavily laden with Bobby Vinton.

**Bobby Vinton?**

Because he was Polish-Lithuanian. This was around 1978. The neighborhood was pretty desolate then. I remember hanging out my window at night, hearing the jukebox and no other sound.



And it was dark. People don't realize there were few cars or working streetlights in the neighborhood. I would sometimes linger at a bar on St. Marks where if you stayed late enough the owner would feed you Beefaroni. I remember sitting outside, drinking and eating my Beefaroni on a dark, empty street where the only streetlight was on the corner. It felt like a clandestine bar open after curfew.

Can I pull the camera back? I want to talk about Astor Place because Astor Place was psycho-geographically crucial in the old days. For people who only know what it's like today, it was almost unrecognizable then, except for the subway entrance and the "Alamo."

**The spinning sculpture of a cube standing on point, by Tony Rosenthal, from the mid-60s. There was the Cooper Union's great Foundation Building. That's still there.**

Right, but otherwise it can be hard to imagine the vast, howling emptiness of the place. Now you've got the Death Star at the top and that other glass tower at the bottom.

**I think you mean 51 Astor Place, by Maki & Associates, an office building from 2016, sheathed in reflective black glass, and that bluish condo building called 26 Astor Place Tower by Charles Gwathmey, from a decade earlier. Incongruous is a polite word for its architecture. Maki's building occupies what used to be the site of Bible House, which printed millions of bibles and, so I've always read, helped established the neighborhood as "Book Row."**

Image

51 Astor Place, by Maki & Associates, sheathed in reflective black glass, with the green subway entrance in the foreground. Credit...Zack DeZon for The New York Times

Image

Cooper Union's Foundation Building, from the 1850s.Credit...Zack DeZon for The New York Times

Image


“Alamo,” a spinning sculpture of a cube, right, by Tony Rosenthal, from the mid-60s.Credit...Zack DeZon for The New York Times; 2020 Estate of Tony Rosenthal / Licensed by VAGA at Artists Rights Society (ARS), NY ("Alamo")



Bible House was long gone by the time I got there, when Astor Place felt like an open square, a zocalo. By the '80s it became the site of an enormous wildcat 24/7 flea market. The cops claimed that everything on sale was stolen, but actually stolen goods were sold along Second Avenue after midnight. Astor Place had the impedimenta landlords left on the sidewalk after old tenants died. I found first editions, sensational photographs. A girlfriend wanted a medicine cabinet, preferably wooden and with a mirror, so I walked over to Astor Place and found 14 of them. I bought the best one for five bucks.

**Sounds kind of wonderful.**

The neighborhood was also reasonably dangerous. Some guy tried to rape my girlfriend one night in the hall of her building, but she got away. She lived on 10th Street near First Avenue next door to a little one-story theater run by a wild experimental actor/writer/director named Jeff Weiss. Every night you'd hear this racket coming from next door. Then at a certain hour — you could time it — Weiss would come barreling out the back door, which would mark the end of the play. Later the theater became the Fun Gallery — the first place to show Basquiat, Keith Haring, Fab 5 Freddy, Lady Pink. The gallery was started by Patti Astor.

**The underground film star.**

And there was Gem Spa —- may it rest in peace.

Image


The scene outside Gem Spa, a newsstand known for its egg creams, in 1969.Credit...Meyer Liebowitz/The New York Times

Image

The former site of Gem Spa, which recently shut down. Credit...Zack DeZon for The New York Times

**The beloved soda fountain/newsstand at the corner of Second Avenue and St. Marks.**

I preferred the egg creams at Ray's Candy Store on Avenue A, which is fortunately still around. I shopped at an Argentine grocery on Ninth Street and First Avenue that had baskets filled with fresh eggs. You would compose your own twelve-pack. My local video place was a dry cleaner's called Kim's, on Sixth Street, which kept rental videos in a corner, then became a famous video rental chain with a

flagship store on St. Marks. The internet put Kim's out of business. Somebody bought the inventory, which is now stored in a castle in Sicily.

**It's a cinder block warehouse on the edge of an obscure town called Salemi, but whatever.**

Image


Ray's Candy Store on Avenue A.Credit...Zack DeZon for The New York Times



Image

A dizzying array of snacks are available inside Ray's.Credit...Zack DeZon for The New York Times

And there was the St. Marks Cinema, which I think was still a first-run house when I moved down there but by the '80s had become a dollar theater. You remember the dollar theaters? They had a gift for perverse double bills.

**Fassbinder's "The Marriage of Maria Braun" on a double bill with "Gremlins." So you were earning enough to consume entertainment?**

I worked at the Strand, which paid the rent. I was the paperback department all by myself. Effectively that meant not only did I deal with all the paperbacks, but when they'd buy a library they'd cull the hardcover books and leave me with whatever was left — photographs, postcards, playbills, business

cards, ephemera that I use in my collages to this day. I also put out a magazine called Stranded, and most of the contributors were people who worked there.

**What kind of magazine was it?**

More visual than literary. It wasn't edited, particularly.

**I'm a little lost, time-wise. When were you publishing Stranded?**

Late '70s. I remember the years because I left copies of the magazine on consignment at the 8th Street Bookshop, which I think closed in 1979.

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**I miss the 8th Street Bookshop, which of course wasn't East Village but West Village. I hung out there almost every day after school and would go on weekends with my dad or my uncle Harry before we hit the used bookstores.**

Image


The 8th Street Bookshop in 1965.Credit...Eddie Hausner/The New York Times

Image

From left, Giuseppi Logan, Eddie Gomez and Milford Graves perform.Credit...Eddie Hausner/The New York Times


Image

Credit...Eddie Hausner/The New York Times

The 8th Street Bookshop gave me a substantial part of my education. But for me the original neighborhood joint was East Side Bookstore, truly of the Lower East Side, featuring underground comics, drug literature, chapbooks from the Poetry Project.

**Run by James Rose and raided by cops from the Public Morals Squad in 1969. Apparently, the cops noticed R. Crumb's Zap Comix No. 4 on sale, and a court found the store guilty of selling obscene literature.**

East Side ran a weekly list of its best sellers in the Village Voice. About a third would be literature, a third would be left-wing politics, and a third would be occult woo-woo.

**Mirroring neighborhood demographics?**

Actually, on a demographic note: there were still quite a lot of old people around. They were the ones who refused to flee to the suburbs. I remember the St. Marks Bar & Grill, on the corner of First Avenue. It was all old men. I once described it in a letter to a friend: a third of the crowd was singing, a third was sleeping, and a third was fighting. Then the Rolling Stones staged a music video there, and it was curtains for the bar. It became a place I never entered again.

Image

A scene from the Rolling Stones video for "Waiting on a Friend," inside St. Marks Bar & Grill.

**Is that the meta-story of the neighborhood?**

No, but what was different back then is that we were a self-selected set of young people. We wanted to make things, and we grew tough hides. If your landlord decided not to pay the fuel bill, that was a passing hardship, but we were not living there to enjoy middle-class comforts. It was truly no sacrifice living in those conditions, because we had considered the possible alternatives.

**You're a nostalgist.**

I'm just describing a moment that quickly passed. CBGB, for example. I started going in '75 when the scene was still small and local. That lasted only a few years.

**CBGB, on the Bowery, mecca of punk and no wave, home to Television, Patti Smith, Talking Heads, the Ramones.**

And to people like Richard Hell and the Voidoids and the Contortions and Teenage Jesus and the Jerks, conglomerations that included people I knew. At the beginning, standing on the sidewalk outside the club you'd feel like you were on an island or in a clearing in a forest at night — it was pitch-dark everywhere except for the cone of light coming from the club. But by '79, '80, it had already changed, like St. Marks Place, especially between Second and Third Avenues, which became a 24/7 fashion parade. The legend got around. Kids read about the neighborhood in magazines. The scene went from zero to 90 in an alarmingly short time.



Image

The Ramones perform at CBGB in the 1970s.Credit...Allen Tannenbaum/Getty Images

Image


A crowd outside CBGB on the Bowery in the late ’70s.Credit...Allan Tannenbaum/Getty Images

Image


A John Varvatos store took over the former CBGB space in 2008.Credit...Zack DeZon for The New York Times

**You had wanted to walk to Tompkins Square Park, which brings us full circle, historically: gifted by the Stuyvesant family to the city, a military parade ground in the 19th century, site of various labor, antiwar protests and later a homeless riot, now Exhibit A for gentrification.**

By the '60s, when I arrived, it was contested terrain between hippies and the Young Lords, the Puerto Rican equivalent of the Black Panthers, who had their headquarters in Christodora House, facing the park where George Gershwin gave his first public recital.

**Iconic brick Art Deco-style former settlement house by Henry C. Pelton, who also designed Riverside Church.**

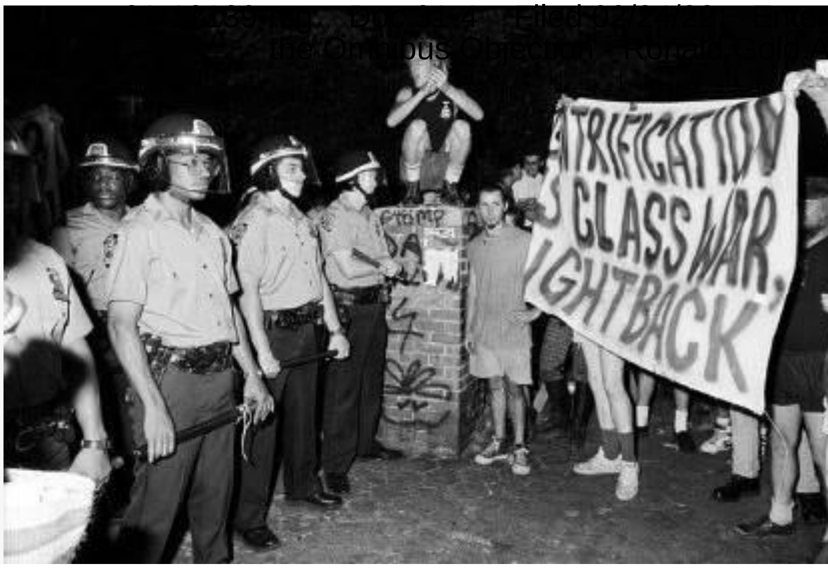
The hippies wanted to stage their loud guitar noodlings in Tompkins Square and the Young Lords wanted music that served their community, which meant salsa, and there were tussles. Of course the park was also a major center of drug activity. I remember walking through it and seeing rows of junkies nodding over bottles of orange soda. Then I was there for the riot in '88.



**Police clashed with squatters living in encampments.**

I happened by, and stayed for hours. Homeless encampments have their historical roots in the park. The southeastern corner used to be famous on the hobo circuit. By '88, the park had become a shantytown, which was not popular with local residents. But the cops overreacted wildly — they rioted. I remember police helicopters flying so low that the backwash from the rotors picked up garbage from the trash baskets, which spiraled up into the air.

Image




In 1988, there was a confrontation in Tompkins Square Park between demonstrators protesting a park curfew and the police. Credit...Angel Franco/The New York Times

Image

Tompkins Square Park today.Credit...Zack DeZon for The New York Times

**Tornados of trash.**

And just as I was starting to walk back home at 4 a.m., a cop grabbed my shirt and dragged me a dozen feet along the asphalt, shredding my clothes.

**The riots were ultimately about gentrification.**
Not everyone called it that then. Living in the neighborhood now is safer, shinier, duller. Back then it was like camping out amid the ruins of multiple pasts.

Image


The scene on East Ninth Street in 1968. Credit...Eddie Hausner/The New York Times

**CURBED NEW YORK**

# The Strange History of the East Village's Most Famous Street

## Thursday, September 4, 2014,

**by James Nevius**

***James Nevius is the author of three books about New York City, the most recent of which isFootprints in New York: Tracing the Lives of Four Centuries of New Yorkers.***


***[Photo of St. Marks Place by Flickr user ptufts.]***

**St. Marks Place—the three blocks of East Eighth Street that run from Astor Place to Tompkins Square Park—has become a symbol of the East Village. Head shops serve as a reminder of the street's hippie heyday, while stalwart Federal mansions remain a link to the area's more distant—and upscale—past. If something has happened in the East Village in the last two centuries, there's a good chance St. Marks Place has played a role. Yet the street has never been a perfect microcosm of the East Village; those mansions were an anomaly, and the hippies were, too. St. Marks is the most famous street in the East Village, but is it a part of the "real" neighborhood at all?**

**The farmland that today comprises St. Marks Place was originally owned by Dutch Director General Peter Stuyvesant, who bought the*bouwerij* (or "Bowery" as it came to be known) in 1651. Few traces of Stuyvesant's era remain beyond his own grave, which lies in a vault at St. Mark's Church-in-the-Bowery, the Episcopal parish constructed in 1799 on the site of what had once been Stuyvesant's private chapel. The church sits just off Stuyvesant Street, which ran from the Bowery Lane into the heart of the property; it and the Bowery are the only colonial farm roads in the area that survived the implementation of the Commissioners' Plan for the city in 1811.**


*[Randal Farm Map showing East 8th Street. Image courtesy of the Office of the Manhattan Borough President.]*

**On that original grid plan, Eighth Street terminated at Avenue C, where a large "Market Place" had been carved out to serve future residents. But by the time New Yorkers began moving uptown in the 1820s, the market idea had been scrapped. Instead, in 1833, one of Peter Stuyvesant's heirs donated a parcel of land between Avenues A and B for the creation of Tompkins Square, which opened the following year. Named for the deceased New York governor and U.S. vice president Daniel Tompkins (who is also buried at St. Mark's church), the park was one of the first acknowledgments that the city had erredin creating a relentless grid with few open spaces.**

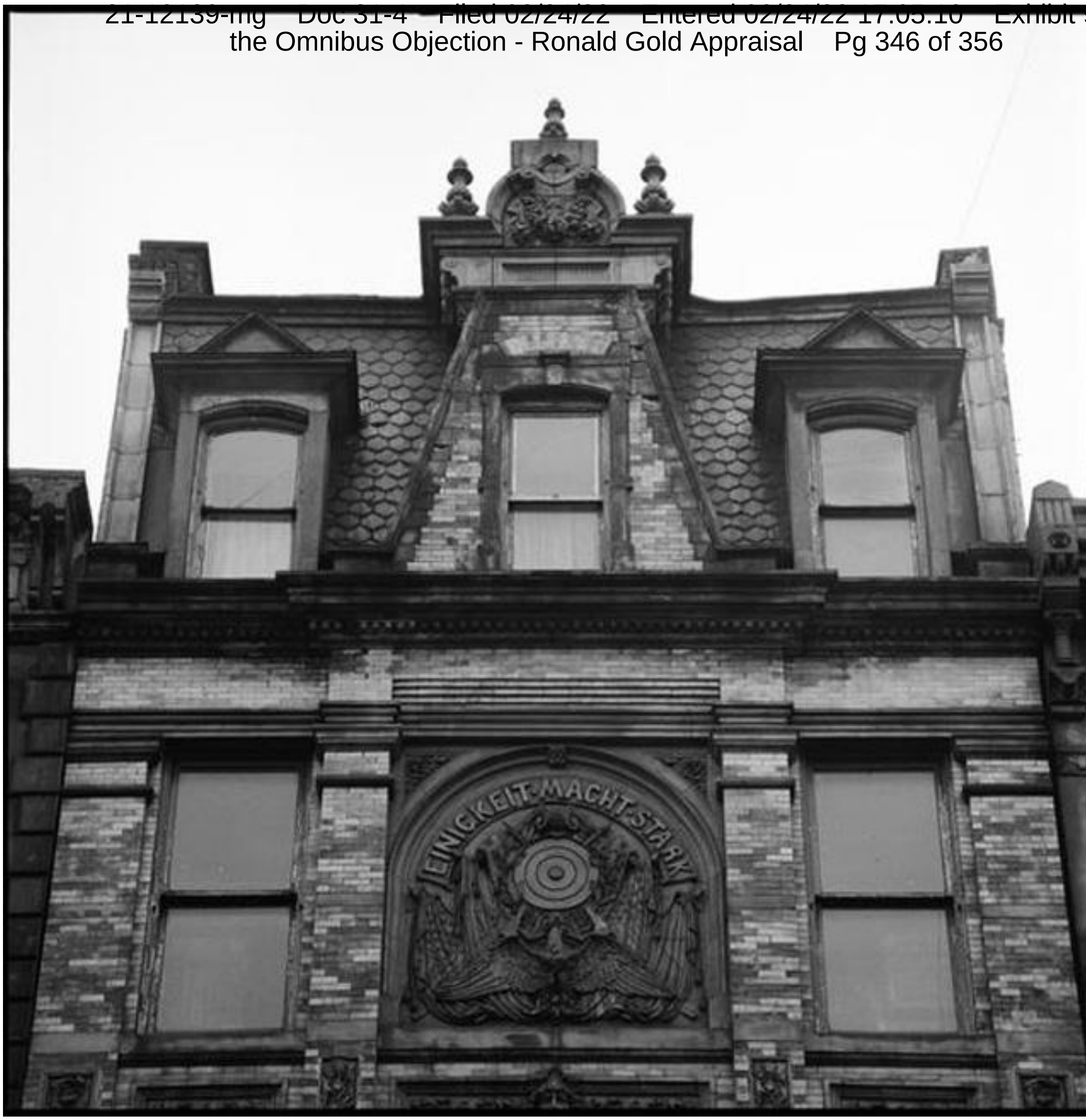
**In the 1820s and '30s, a few streets "above Bleecker" (as the neighborhood came to be known) began luring Manhattan's wealthiest citizens away from the district below City Hall. Washington Square opened in 1826, John Jacob Astor developed Lafayette Street and La Grange Terrace in 1833, and Bond, Great Jones, and East Fourth streets all became fashionable addresses. In 1835, the orphaned blocks of Eighth Street between Astor Place and Tompkins Square were dubbed St. Marks Place, the name probably the work of real estate developer Thomas E. Davis, who was trading on the cachet of the area's most famous landmark. Though St. Marks Place never gained the same stature as**

**"The Row" on Washington Square or La Grange Terrace, some of its early residents were well known, including James Fenimore Cooper and Alexander Hamilton's widow, Eliza, whose house at No. 4 still stands.**
**The entire block of St. Marks between Third and Second avenues was built by Davis in 1831-32; originally both sides of the street would have been a terrace of oversized Federal homes. Of these, only three remain (mostly) intact: theHamilton-Holly house (*right*) at No. 4, No. 20 (in relatively good shape) and No. 25 (which hasn't fared so well).**
**Pressed for cash, Eliza Hamilton moved into No. 4 in 1833 with her adult son (and his wife) and daughter (and her husband). Eliza's late husband, the former treasury secretary, had left many debts and Mrs. Hamilton was trying to economize. It didn't work: she was forced out of the house in 1842 after the bank foreclosed. During her time on St. Marks, Hamilton's**

**next-door neighbor was noted American author James Fenimore Cooper, who lived at No. 6. (He did not live *with* the Hamiltons, as some sources erroneously suggest.)**
**By the time the Hamiltons were leaving St. Marks Place, the area around Tompkins Square was filling up with German immigrants; by the Civil War what we know today as the East Village was called *Kleindeutschland* ("Little Germany"). While New York had seen a steady stream of immigrants through the first half of the nineteenth century, the 1840s and 1850s saw that stream turn into a deluge, with the Irish who fled the potato famine settling in Five Points (today's Chinatown) and the bulk of the Germans moving into the East Village.**

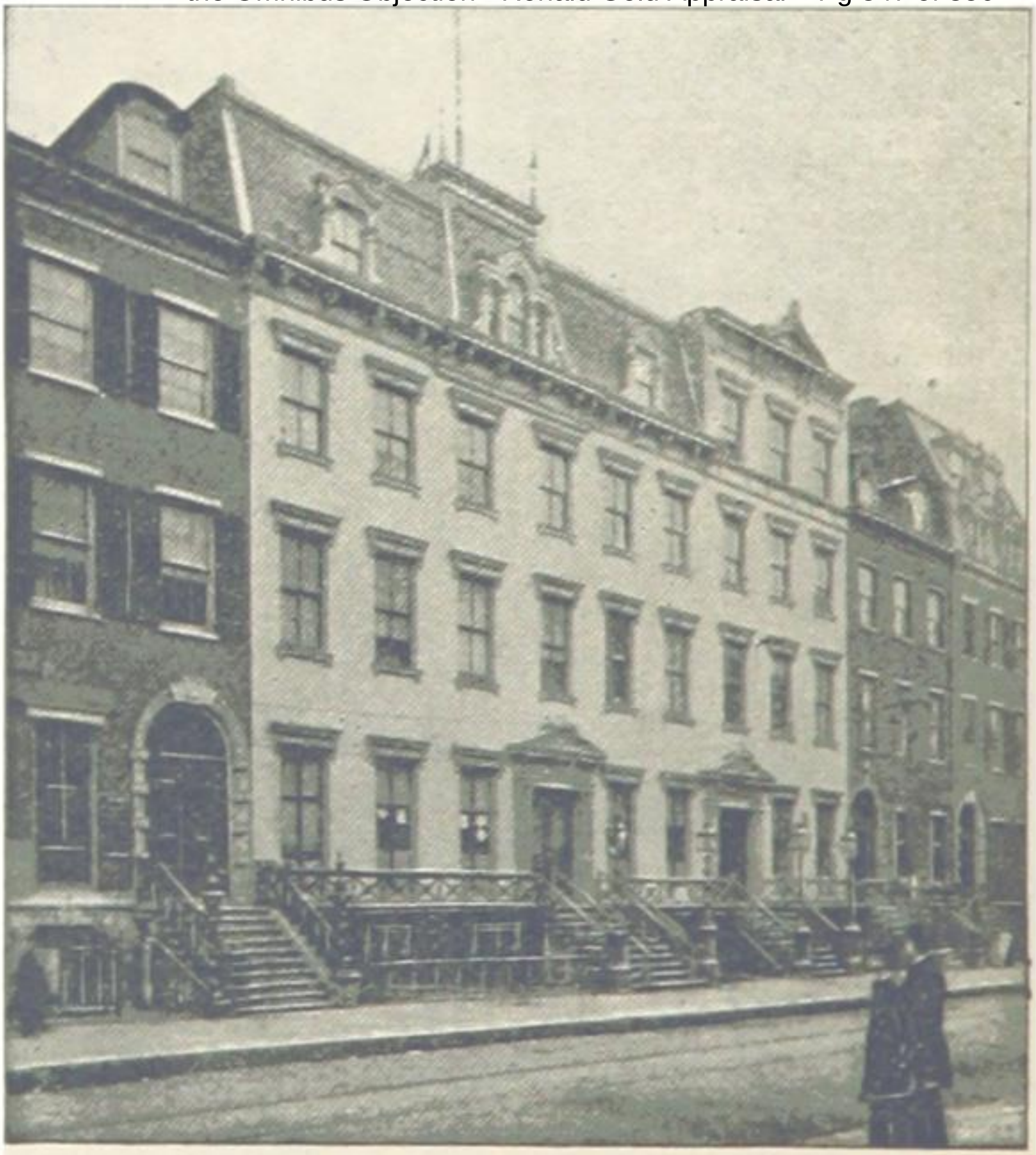
**To better serve these new immigrants, social service agencies sprung up; for example, just in time for the cholera epidemic of 1854, Mary DuBois founded the Nursery for the Children of Poor Women—the first of its kind—out of an "ill-ventilated" house on St. Marks, something that would have been unheard of when Eliza Hamilton was living there a decade earlier.**

**In the years following the Civil War, *Kleindeutschland*'s population grew to over 50,000 people. To better accommodate the burgeoning population, many of the single-family homes became profitable boarding houses. This wasn't unique to St. Marks—as many as thirty percent of New Yorkers lived in boarding houses by the middle of the nineteenth century, their ranks drawn from all social classes—but while St. Marks held onto its fading charm, much of the rest of *Kleindeutschland* was taken over by the newest innovation in immigrant housing: the tenement.**




*[The German American Shooting Society. Edmund V. Gillon/Museum of the City of New York.]*

**Only a few traces of the German era remain on St. Marks: two of the original Davis houses at 19-21 St. Marks Place were joined together in 1870 and re-opened as the headquarters of the Arion Society, a German music club. Across the street at No. 12, the*Deutsche-Amerikanische Schützen Gesellschaft* ("German American Shooting Society") was built in 1889; today, you can still see its name emblazoned across the front below a giant terracotta target. Inside, members of two dozen German-American militia companies could meet for (in the words of the building's Landmarks Designation Report) "beer drinking and partying." As some Germans had become more affluent, many had moved away from St. Marks Place; buildings like this clubhouse provided a vital link back to the old neighborhood. Though *Kleindeutschland* was already shrinking by the turn of the twentieth century, it splintered apart on June 15, 1904, when the steamship General Slocum, chartered to take neighborhood families on a Sunday School outing, caught fire in the East River, killing 1,021. A memorial stele to the many children who perished that day sits tucked away in a playground in Tompkins Square.**



ARLINGTON HALL, 21 ST. MARK'S PLACE.

***[The original 21 St. Marks Place.]***

**As the German population thinned, other immigrants arrived, including Jews displaced by the pogroms in Europe, along with Hungarians, Poles, Ukrainians, and Russians. The area around St. Marks Place was firmly subsumed into the Lower East Side. In the winter of 1917, Leon Trotsky arrived on St. Marks Place, where he wrote for the *Novy Mir* ("New World"), headquartered at 77 St. Marks (and edited by fellow revolutionary Nikolai Bukharin) while living with his family across the street in an apartment at 80 St. Marks, above the space that later held a speakeasy and then a theater. Just a few years earlier, Socialist/Anarchists Alexander Berkman and Emma Goldman (famous for, among other things, attempting to assassinate industrialist Henry Clay Frick) opened the progressive Modern School at No. 6; when it moved out, it was replaced by a Russian public bath.**

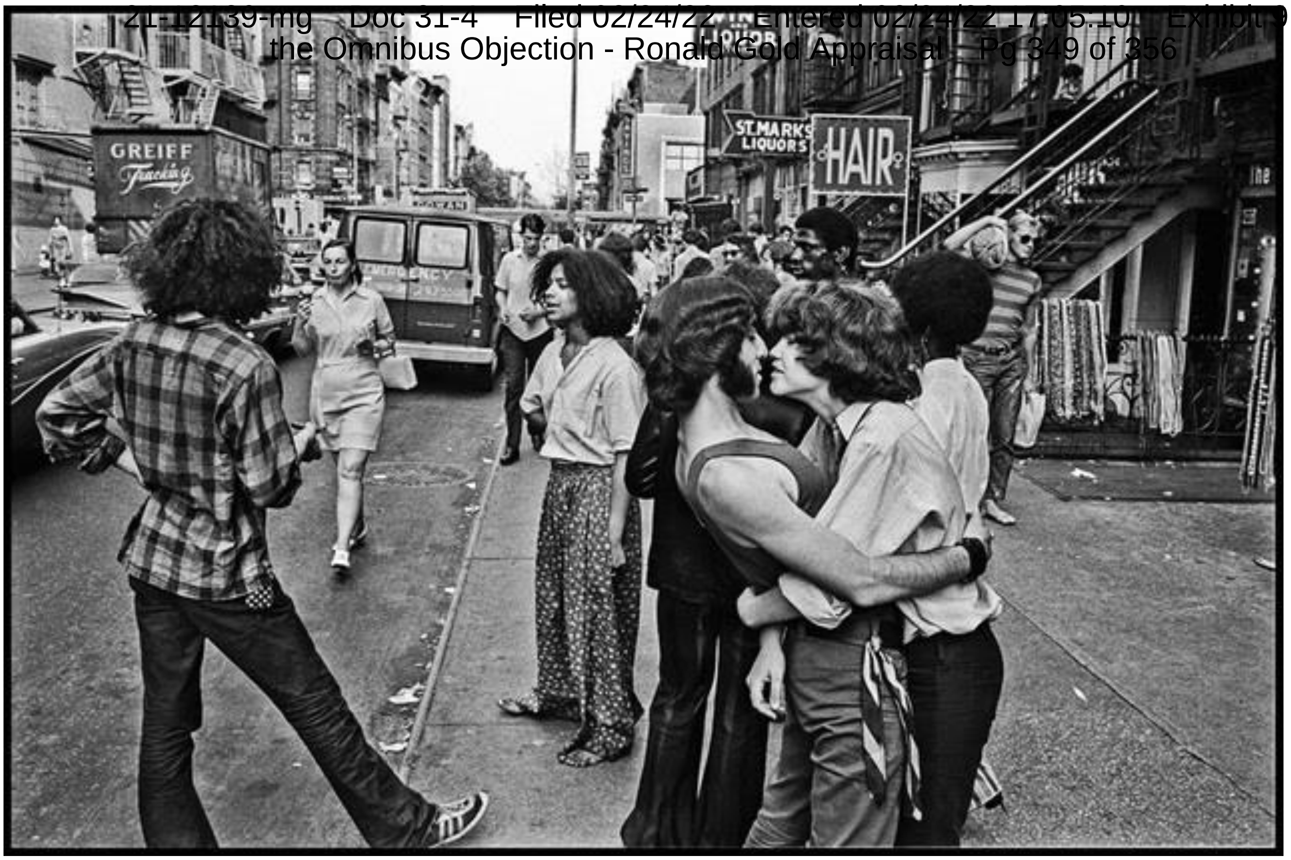
*[The demolition of the Third Avenue El. Calvin S. Hathaway/Museum of the City of New York.]*

**During all this time, the neighborhood had been well served by public transportation. Starting in 1878, the Third Avenue El stopped at Ninth Street; just two years later, the Second Avenue El opened a station at St. Marks Place. However, as more subways were constructed in the twentieth century, elevated trains fell out of favor. The Second Avenue El was torn down in 1942 and the Third Avenue line—the last in the system—ceased operation in 1955, effectively cutting off wide swaths of the Lower East Side from public transit. As real estate in the rest of the city began to recover from the Depression and World War II, the area around St. Marks Place was slow to rebound. Around this time, some enterprising real estate agent came up with the idea of the "East Village" moniker to brighten the prospects of the area.**

**"Head east from Greenwich Village, and when it starts to look squalid, around the Bowery and Third Avenue, you know you're there.—*Newsweek*, 1965**

**By 1960, the term was edging into the culture. In an article entitled "'Village' Spills Across 3d Avenue," the*Times* talked about the availability of apartments for "$40 and down" in an area "increasingly [known as] Village East or East Village." The term Village East didn't stick around for long. By 1963, *Cue's New York: A Leisurely Guide to Manhattan*, was already sending folks to the East Village for its cafes, galleries, and charming Beatniks—people like Jack Kerouac, William S. Burroughs, and Allen Ginsberg, a longtime area resident and denizen of Gem Spa at the corner of St. Marks and Second Avenue. Despite Ginsberg's eventual place among the first ranks of American poets, the most influential poet to live in the East Village at the time wasn't a Beat at all—it was W.H. Auden, who resided at 77 St. Marks (former home of Trotsky's *Novy Mir*), drank copious amount of booze at the Holiday Cocktail Lounge next door at No. 75, and went to the bathroom at the liquor store on the corner because his apartment apparently had no facilities.**

**Auden's situation wasn't atypical. In 1965, a *Newsweek* writer noted that those looking for the East Village should "head east from Greenwich Village, and when it starts to look squalid, around the Bowery and Third Avenue, you know you're there." For those not trying to sell real estate, the area's lack of gentrification and general isolation was the appeal. As Ronald Sukenick wrote in his neighborhood memoir *Down and In*, the West Village "is removed from Uptown by long subway rides, [but] the East Village is twice removed...an underground underneath the underground."**




*[St. Marks Place in 1968. Photo by George Cohen via EV Grieve.]*

**It was also in 1965 that the term "hippie" came into common use to replace Bohemian or Beatnik to describe the new generation of rebellious youth. Within a year, St. Marks Place had become the magnet for the East Coast counter-culture. For years, the old Arlington Hall (having been expanded one more building to the east) had been owned by a Polish social club; known as the Dom, it became a popular hangout for the Beats and then a nightclub. In 1966, Andy Warhol opened the Exploding Plastic Inevitable in the Dom's upstairs space, installing the Velvet Underground as the house band. The space then morphed into the Electric Circus, where patrons were invited to "play games, dress as they like, dance, sit, think, tune in and turn on." Among the most famous denizens of St. Marks during its '60s heyday were Abbie Hoffman, who co-founded the Youth International Party ("Yippies") at No. 30 with Jerry Rubin, and Lenny Bruce, who lived at No. 13.**

**By 1968, St. Marks Place was so popular that tour buses changed their routes from MacDougal Street in the West Village to St. Marks, the tourists snapping pictures of every long-haired, bead-wearing hippie they could. Fed up with this, artist Joey Skaggs decided to turn the tables, and on September 22, 1968, he hired a Greyhound bus and a tour guide and took 60 hippies on a guided tour of residential Queens so that they could laugh and point and take photos of the "squares" mowing their lawns and washing their cars.**

**But St. Marks Place as a hippie enclave was actually a great contrast to the rest of the neighborhood, where no tour bus would go—an area still dominated by immigrants, including Ukrainians who had arrived during World War II and Puerto Ricans who'd settled in the area in the 1950s. Because St. Marks dead-ends into Tompkins Square, the park became a *de facto* extension of the street, causing friction between the hippies and the larger immigrant population. On Memorial Day 1967, complaints from area residents about the noise from the Hare Krishnas and the bongo players brought the police, who arrested 38 people. (The charges were later dropped, the judge noting that he could not deny "equal protection to the unwashed, unshod, unkempt, and uninhibited.")**
**A few days later, on June 1, a parade of hippies (with police escort) marched down St. Marks to the park to present a "key to the East Village" to the Grateful Dead (accepted by Pigpen) who were making their New York debut at the park's bandshell that afternoon. But tensions soon rose again, with the Puerto Ricans**

**wondering why only white bands were represented and not Latino music. Abbie Hoffman stepped in to propose that the parks department help bring more ethnic music to the park.**

**The economic downturn of the 1970s decimated real estate in much of the East Village—leading to the sort of squats later popularized and sanitized by the musical *Rent*—and the neighborhood did little to shake its "squalid" reputation. As early as 1969, after a horrific murder on East First Street, the *Times* described the area as a "nether world" of "violence and crime…as alien to most New Yorkers as the dark side of the moon."**


**Yet St. Marks Place, buffered by its commercial real estate, continued to remain distinct from the rest of the neighborhood (even the rundown tenements at No. 96-98 that grace the cover of Led Zeppelin's 1975 album Physical Graffiti don't seem that bad). In part, this was because of its ability to keep up with the times. In 1977, Manic Panic, the country's first punk boutique, opened at No. 33; Theatre 80, which had seen, somewhat incongruously, the premiere of *You're a Good Man, Charlie Brown* in 1967, became a movie revival house in 1971, drawing crowds of cinephiles. The former Russian baths at No. 6 became the New St. Marks Bath, purportedly the world's largest gay bathhouse when the Department of Health shut it down in the midst of the AIDS crisis in 1985. In 1989, Crunch Fitness opened in a studio at 37 St. Marks, a sign not only of the coming fitness craze, but also of St. Marks' ongoing curb appeal. That a gym could exist an eight-minute walk from Tompkins Square Park, where a riot had broken out the previous summer over park curfews and gentrification, was another sign that St. Marks existed in a parallel universe—a street *in* the East Village while never exactly *of* the East Village.**

**That St. Marks has kept up with accelerating trends in retail and housing has also brought consternation from long-time residents (chronicled on a daily basis by EV Grieve), whosee the uniqueness of the street fading. A Chipotle occupies part of the old Dom building; a 7-Eleven lasted eighteen months down the block and is now gone. Mondo Kim's, the beloved video store that folded in 2008 (in the former bathhouse space) has seen a revolving door of small-scale tenants who can't quite make the space work, while the Pinkberry**

**down the street at No. 24 soldiers on. Sure, St. Marks is still the "bong capital of the world," but how much longer can that remain true? As the rest of the East Village gentrifies, is it possible for St. Marks to hold onto its unique status—or does it run the real danger of becoming just like every place else?**

**Whilst matriculating in Reform School just before "Hippydom" was invented, cableTV star Ugly George dwelled in a 5th-floor walkup just around the corner. The title "Shame Of The Cities" (about NYC's tenement slums) was a hit- the new edition claiming that such Municipal corruption was gone now. But UG's walkup had a bathtub in the kitchen, a 'refrigerator' that was just a metal box opening into the cold air outside, bathrooms under lock & key in the hallways (NOT in the apts) EXACTLY as had been 'outlawed' by Mayor Jimmy Walker in his (alleged) 1930s Housing Code Reform…said East Village was FULL of the same violations that Jacob Riis had exposed…Mayor Wagner's original Tammany Hall had lately been only a few blocks away on 14th & 4th Ave…so his Peasants could walk to it for coal in the winter & ice in the summer & save 5cents trolley fare, in exchange for pledges to vote ONLY Democratic-see how far we've come today?**

**I will try 1 more time: hibrow NY cableTV phenom Ugly George actually lived 2 blks. from StMarks Place just before the Hippie Era whilst matriculating at Reform School. "The Shame Of The Cites" was popular- but seemed to talk only about the Tammany corruption of past NYC horrific Building Codes; were those Bad Old Days over now that Democrat Mayor Wagner had loudly "renounced" Tammany Bosses? NO! UG's 5th-floor walkup had a tub in the kitchen, bathroom in the hall & had changed but little from the 1880's. We were right near the "classic" Tammany Hall where peasants came to get coal in the winter & ice in the summer in exchange for voting ONLY Democratic…why, do you see how that's all be Cleaned Up in today's City Council?**

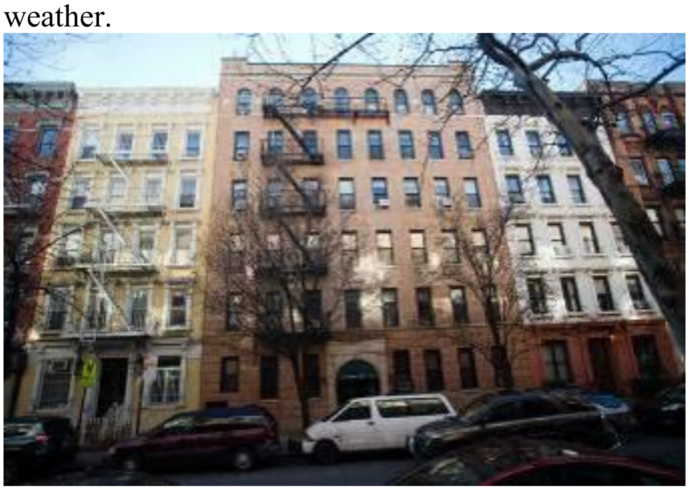
# *THE NEW YORK TIMES*
## *"Living in the East Village"*
# The East Village Clings to a Colorful Past
**DEC. 10, 2014**

**By ALISON GREGOR**

Over the decades, living in the East Village has been about finding cheap housing. But there was much more to the equation. Historically a first stop for new immigrants, the neighborhood became associated with the counterculture, art and the punk movement in the 1970s, and living there served as a sort of rite of passage for people of a certain age and inclination.

Much of that history has disappeared as home prices and retail rents have escalated, but for some residents it is not completely gone.

"I think the neighborhood still has that heart and soul — at least what it hadn't already lost by the late '90s," said Peter Feld, an editor and writer born in Manhattan who spent years visiting the East Village before moving there in 1999. "It's still a mix of great, but mostly affordable, restaurants, nice and divey bars, longtime residents, drunken N.Y.U. kids and older drunks, boutiques that don't open till noon or later, creative types and the beloved crusties," he added, alluding to the young visitors with bedrolls and dirty clothes who have traditionally arrived in warm weather.



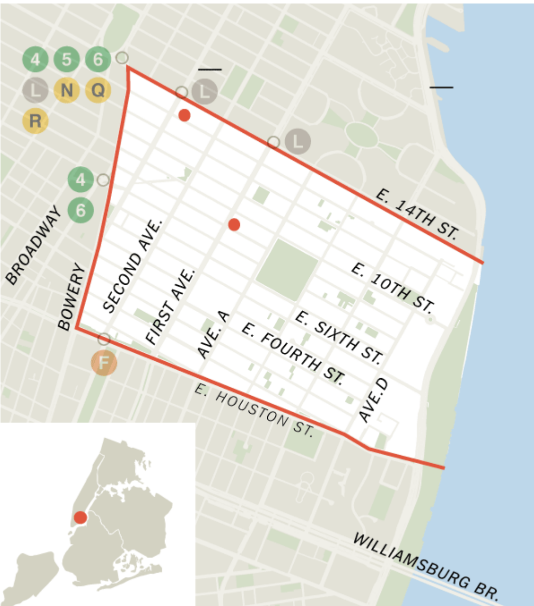
232 EAST SIXTH STREET, #4CDE A three-bedroom two-bathroom renovated prewar co-op, with architectural details listed at $2.25 million. (646) 790-2631 CreditAlan Chin for The New York Times

The neighborhood, with about 72,000 residents, is typically seen as bounded by 14th Street and East Houston Street, the Bowery/Fourth Avenue and the East River. Almost 40 percent of the neighborhood is between the ages of 20 and 34, according to census data.

A low-slung neighborhood with a lot of 19th- and early 20th-century buildings, the East Village was rezoned in 2008 in an attempt to keep new development contextual, and two new historic districts protecting three swathes of buildings were added in 2012; the original St. Mark's Historic District was designated in 1969.

While the designations seem to have curbed most new development, conversions of older buildings into upscale housing are driving up housing prices, said Susan Stetzer, the district manager of Community Board 3, who lives in the East Village. Small mom-and-pop shops are closing, unable to afford retail rents, with those spaces being taken over by chain retailers.

Instead of local bars and restaurants, she said, "now, we have destination nightclubs and destination celebrity chef restaurants. So what's happening is they're bringing people in to party, basically, and we're losing both food and bar and other retail that used to serve the community."




Julian LaVerdiere, an artist who was a resident until recently, said, "I feel like Yorkville got transplanted to the East Village," referring to another East Side neighborhood known as a postgraduate playground. Mr. LaVerdiere bought a one-bedroom apartment on 12th Street in 2007 for $900,000 and recently sold it for $1.2 million — a tidy profit he took to buy a house in Brooklyn.

Still, the neighborhood has a genuine vibe that is not easy to find elsewhere, said Sky Dylan-Robbins, a native New Yorker and video journalist who has lived in the East Village for three years.

"Despite the glossiness that's seeped into every grungy-but-lovely cranny of the neighborhood — and of New York, in general — the smaller streets, not the avenues, of the East Village do feel reminiscent of an authentic New York City that once was," she said.

*What You'll Find*

754 EAST SIXTH STREET, #6B A two-bedroom two-bathroom condo on the top floor with chef's kitchen, listed at $850,000. (212) 381-6512 CreditAlan Chin for The New York Times

East Village housing consists mostly of early- to mid-20th-century walk-up and elevator buildings of four and five stories, said Douglas Wagner, a broker and East Village specialist with Bond New York. There are also townhouses and single-family homes, many converted to multifamilies, as well as loft buildings, said Jeremy V. Stein, an agent with Sotheby's International Realty, who often works in the area.

There has been quite a bit of new development. In fact, the Jefferson at 211 East 13th Street, a condo with about 80 units and the target of some East Villagers' ire as a symbol of gentrification, was second in Manhattan for the largest number of closed sales through Nov. 30 with 78, said Gabby Warshawer, the director of research for CityRealty, a real estate listings and research service.

*What You'll Pay*

Though home prices are no longer cheap, the East Village still offers a slim advantage in terms of value over other Manhattan neighborhoods, Ms. Warshawer said. The average price per square foot of a condo in Manhattan this year through Nov. 30 is $1,643; in the East Village, it is $1,562, which is about 16.5 percent higher than 2013. There are only about 33 condos on the market, Ms. Warshawer said.
Mr. Wagner said he does not notice much difference between average condo prices in the East Village and those in Chelsea or the West Village. Studios typically run around $485,000; one-bedrooms about $900,000; and two-bedrooms about $1.5 million, with outliers in both directions. Co-ops typically cost about 20 percent less than condos, he said.

There are many rentals in the East Village, with 340 open listings in early December, Mr. Wagner said. At the low end, studios run from around $1,850 to $2,300 a month; in some new developments, they go for well above $3,000. One-bedrooms typically range from about $2,300 into the low $4,000s a month, he said. Two-bedrooms start at around $3,500 a month but more commonly cost more than $4,500. Most three-bedrooms go for $4,850 to $5,300 a month, but can cost as much as $10,000 a month, Mr. Wagner said.

*The Commute*

There are many subway stops on the neighborhood's perimeter. The 4, 5 and 6 trains stop at Union Square, as do the N, R and Q trains. (The 6 train also stops at Astor Place, and the 4 does at night.) The Union Square station offers access to the L train, which runs along 14th Street and into Brooklyn, with stops in the neighborhood at First and Third Avenues. The F train stops at Second Avenue and East Houston. Buses serving the area include the 14A, 14D, 8 and 9.

327 EAST THIRD STREET, #4B A one-bedroom one-bathroom co-op with low maintenance, listed at $440,000. (212) 941-2502 CreditAlan Chin for The New York Times

*What to Do*

Grieving over lost shops and restaurants is a pastime in the East Village, with the number of holdouts from a former era thinning. The building that housed the club CBGB, billed as "the birthplace of punk," now has a John Varvatos shop, and the 110-year-old Italian bakery De Robertis Pasticceria and Caffe closed earlier this month. Newer restaurants include the popularEstela, with European-influenced American cuisine, and the Italian restaurant San Marzano. Curry Row, around Sixth Street, offers Indian food, while Japanese cuisine can be found on Ninth Street between Second and Third Avenues and 10th Street between First and Second Avenues.

The East Village is home to several small theaters, and while galleries are no longer prevalent, the exhibition space at P.S. 122 Gallery is popular. The 10.5-acre Tompkins Square Park has two playgrounds, a dog run, handball, chess and basketball. St. Marks Place is a quirky, lively strip where head shops coexist with Federal mansions.

*The Schools*

Schools are not the first thing that come to mind in association with the East Village, and the area seems to have a lack of affordable child-care programs and family-friendly restaurants these days, Ms. Stetzer said. Schools includePublic School 15 Roberto Clemente; Tompkins Square Middle School; andEast Side Community High School. Public School 15 received a C on its latest progress report, and at East Side this year, SAT averages were 424 in reading, 426 in math and 422 in writing, versus 441, 463 and 436 citywide.

*The History*

The East Village was originally a farm, or bouwerie, covering an area that is now Fourth Avenue to the East River, and 17th Street to Fifth Street. Irish and German immigrants moved into the neighborhood starting around the 1850s, and in the early 1900s, Italians and Eastern European Jews followed.

Poles, Ukrainians and Puerto Ricans began arriving after World War II. In the late 1950s and 1960s, an incursion of beatniks, followed by hippies, led to the adoption of the name "East Village" to differentiate the area, which was once lumped together with the Lower Eas

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**THIS REPORT IS SUBJECT TO THE FOLLOWING CONTINGENT, SPECIAL AND LIMITING CONDITIONS**

This appraisal is made for the client to whom it is addressed and is to be used only for the purpose stated in the appraisal, and no reliance is to be placed on this appraisal for any other purpose.

No responsibility is assumed for matters legal in character. We render no opinion as to the title but assume that it is marketable. The property is appraised as though free and clear of all liens and encumbrances. Management and ownership are presumed to be competent and responsible.

All drawings and diagrams in this report are included to assist the reader in visualizing the property. These drawings do not represent the product of any professional survey made by this office. The appraiser is not a professional engineer, and no engineering survey of the property has been made by him nor are we reporting on structural adequacy. No right to expert testimony, attendance in court, or publication is included with possession of this report.

The distribution of the total valuation in the report between land and improvements applies only under the proposed manner of utilization. The separate valuations for land and building must not be used in connection with any other appraisal and are invalid if so used. The appraiser has no present or contemplated future interest in the property.

Rentals and other income have been supplied by others and have not been subject to independent verification, unless otherwise noted. Expenses are based either on unverified data supplied by others or are the appraiser's own estimate. Other facts reported in the appraisal are correct to the best of the appraiser's knowledge and belief.

**ENVIRONMENTAL DISCLAIMER:** The value estimated in this report is based on the assumption that the property does not have any existing hazardous substances or detrimental environmental conditions. The Appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The Appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any hazardous substances, or detrimental environmental conditions, which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substances and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.